The unions are demanding treatment equal to that accorded the Marine Engineers Beneficial Association. Engineers on the ship, on the premise of special skills and training for this particular ship, are getting as much as 29 percent more in wages than the scale for conventionally powered vessels of this class.

The 13,559-ton *Savannah* is manned by 75 seamen, 16 engineers, 5 mates under Capt. Gaston R. DeGroote, 3 pursers, and 4 radio officers. She had been scheduled to go to Savannah, Ga., soon on the way to the west coast for her first "show ship" cruise.

The striking unions are also demanding improvements in benefits, including a higher manning scale and better accommodations.

Negotiators for the three labor groups have charged that the States Marine Lines has refused to negotiate the demands. On this basis, although the company has called for arbitration under the existing contract grievance procedure, the mates' union has declined to participate in arbitration.

KHEEL SLATES MEETING

Theodore W. Kheel, arbitrator for the NMU contract, will hold an arbitration meeting here on Friday.

A spokesman for the company said yesterday that some of the union's officials considered the refusal by the company to accept union demands equivalent to refusing to negotiate. He said the company had negotiated in good faith.

The *Savannah* received its official classification yesterday from the American Bureau of Shipping, this country's official classification society. The ship was given the society's top rating.

The *Savannah*, planned jointly by the Maritime Administration and the Atomic Energy Commission, is the first such commercial ship in the world, and required special standards under which the American Bureau carried out its tests and examinations.

Senator BUTLER reminded President Kennedy in his letter that the *Savannah* was owned by the people of the United States and that the men were striking against the Government.

"I cannot imagine that you as Commander in Chief would tolerate for a minute a strike by the crew of any vessel of the Navy," he said.

Last week, Representative HERBERT C. BONNER, Democrat, of North Carolina, proposed that the *Savannah* be laid up or transferred to the Navy, because of the intolerable labor situation.

[From the New York (N.Y.) Herald Tribune, Aug. 8, 1962]

SENATOR BUTLER APPEALS TO KENNEDY: URGES INTERVENTION ON "SAVANNAH"

(By Walter Hamshar)

President Kennedy was urged yesterday to intervene in the dispute that has tied up the nuclear ship *Savannah*, the world's first nuclear-powered merchant ship, for 2 weeks.

The *Savannah* has been immobilized at her berth at Yorktown, Va., where she was being prepared for service as a showcase of peaceful uses of atomic power.

The President's intervention was urged by Senator JOHN M. BUTLER, of Maryland, ranking Republican member of the Senate Foreign Commerce Committee, who supported legislation to build the experimental ship.

Mr. BUTLER called the refusal by members of three maritime unions to sail the ship until their demands are met a strike against the Federal Government, which owns the *Savannah*. This is an "incredible situation" that warrants "personal intervention and immediate action," Senator BUTLER declared.

SITTING ABOARD SHIP

Members of the Masters, Mates & Pilots, the American Radio Association and the National Maritime Union are sitting in abroad ship although they were removed from its payroll after refusing last Thursday to move the vessel to a Norfolk shipyard for minor repairs. The unions are demanding parity in wages, manning and quarters with the Marine Engineers Beneficial Association, whose members are still employed aboard the ship.

In a letter to the White House, Senator BUTLER said "The action of a few dictorial union bosses can do more to destroy the symbol of freedom characterized by the nuclear ship *Savannah* than the entire Communist machine."

WARNS OF WAGE SPIRAL

Recalling the President's words, BUTLER warned that "should the group that is now striking against the Federal Government be successful in unjustifiable demands for wage revisions, the upward spiral of wage demands throughout the entire maritime industry both at sea and ashore would create a further impediment to the competitive position of the U.S. merchant marine."

The Government has "eloquently and wisely" offered to share with foreign nations the knowledge acquired in constructing and operating the $80 million *Savannah*, Mr. BUTLER reminded the President. "Surely it would not be your wish to share with our friends and allies an incredible example of union effrontery," he said.

Mr. BUTLER's letter was the second written by Congressmen disturbed by the *Savannah* work stoppage. Last week Representative HERBERT C. BONNER, Democrat, of North Carolina, chairman of the House Merchant Marine Committee, suggested in a letter to the Department of Commerce that it might be wise to turn the *Savannah* over to the Navy and remove it from the influence of maritime unions.

ARBITRATION DATE SET

Efforts to arbitrate the dispute advanced slightly yesterday when the Masters, Mates & Pilots and States Marine Lines, which acts as agent for the *Savannah*, agreed to meet at 3 p.m. today to turn the dispute over to Walter Gelhorn, arbiter. The NMU has already agreed to submit its part in the dispute to Theodore W. Kheel, permanent arbiter for the union's agreement. The ARA was considering similar action.

A Worthwhile Cultural Project

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 15, 1962

Mr. ANFUSO. Mr. Speaker, as a Representative from the city of New York, the activities of our entire State are of interest to me. A project has recently come to my attention, undertaken by our neighbors in Long Island, the citizens of Nassau County. I make record of it now, for the project is of such interest that other cities and communities may well want to put it into effect in their own areas.

County Executive Eugene Nickerson, one of the Nation's most able civic administrators, has just appointed the noted industrialist, Mr. Norman Blankman, as chairman of the Long Island Cultural Center. This is a nonpolitical committee composed of outstanding citizens of Long Island. They are banding together, under Mr. Blankman's leadership, to produce what will become one of the most unusual projects of its kind in the country.

Slated to begin this summer, they are forming their own symphony orchestra, their own pops concert band, a huge summer festival which will equal the one held annually in the city of New York. They are organizing their own ballet and putting together one of the most valuable and extensive collections of famous paintings and art work in the country.

The citizens of Long Island and of Nassau County are fortunate, indeed, to have men and women of this caliber ready to serve their community. Mr. Nickerson's forthright appointment and his demand that this committee and this idea remain nonpolitical in every way is certainly to be admired and commended. Mr. Blankman's tireless efforts to put his idea into successful being is, likewise, commendable.

May I take this opportunity to wish our neighbors in Long Island continued success in this most worthwhile project.

SENATE

THURSDAY, AUGUST 16, 1962

(Legislative day of Tuesday, August 14, 1962)

The Senate met at 10 o'clock a.m., on the expiration of the recess, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Father of all mercies, with the hunger for Thee forever gnawing in our inner selves, save us, we pray, from accepting the low standards of the world across which we move and from thus spinelessly melting into our surroundings. Join us to the company of whom in the final record it will be said: "They looked unto Him and were radiant and their faces were not ashamed."

Even as we come with deep contrition for our shortcomings, give us to sense, beyond all the irritating details of legislation, that Thou hast summoned us as trustees of civilization to defend the gains of the ages and to help create social institutions essential to human progress.

We pray for those who here serve in this temple of governance, that giving expression to their highest and noblest thoughts, there may rest unsullied upon their shoulders the white mantle of the Nation's honor.

We ask it in the Redeemer's name, Amen.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were commu-

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nicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts and joint resolution:

On August 14, 1962:

S. 2807. An act for the relief of Mrs. Juliane C. Rockenfeller;

S. 2844. An act for the relief of Alice Amar Froemming;

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;

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

On August 15, 1962:

S. 296. An act for the relief of Hanna Ghosn;

S. 1771. An act to improve the usefulness of national bank branches in foreign countries;

S. 1882. An act for the relief of Assunta Bianchi;

S. 2572. An act for the relief of the Merritt-Chapman & Scott Corp.;

S. 2614. An act for the relief of Mr. and Mrs. Alfredo Hua-Sing Ang;

S. 2769. An act for the relief of Renato Granduc and Grazia Granduc; and

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.

On August 16, 1962:

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.

EXECUTIVE MESSAGES REFERRED

As in executive session,

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

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

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, the Senate gave its permission for the Judiciary Committee to meet on Wednesday and Thursday, for the purpose of concluding the hearings on the nomination of Judge Thurgood Marshall. I have discussed this matter with the members of that committee. I have been informed by them that Judge Marshall could not appear on Wednesday or this morning because of prior commitments on the west coast. I have been informed, further, that if the Senate gives permission for the Judiciary Committee to meet tomorrow, Judge Marshall will be before the committee tomorrow, and that it is anticipated that the hearing on his nomination will be completed at that time.

Therefore, Mr. President, I ask unanimous consent that the Judiciary Committee may be permitted to sit during the session of the Senate tomorrow morning.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Public Lands Subcommittee of the Committee on Interior and Insular Affairs be permitted to sit during the session of the Senate today.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Internal Security Subcommittee of the Judiciary Committee be permitted to sit during the session of the Senate today.

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

CALL OF THE ROLL

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The absence of a quorum is suggested. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

[No. 190 Leg.]

Aiken	Hruska	Pastore
Allott	Kefauver	Pearson
Bottum	Kuchel	Pell
Burdick	Lausche	Proxmire
Carlson	Magnuson	Randolph
Chavez	Mansfield	Robertson
Church	McCarthy	Smith, Mass.
Dirksen	McClellan	Smith, Maine
Douglas	Metcalf	Sparkman
Fulbright	Miller	Talmadge
Gore	Monroney	Young, Ohio
Holland	Morse	

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE] and the Senator from Utah [Mr. MOSS] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON] is necessarily absent.

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent.

The VICE PRESIDENT. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms is instructed to execute the order of the Senate.

After a little delay, Mr. BARTLETT, Mr. BEALL, Mr. BENNETT, Mr. BOGGS, Mr. BUSH, Mr. BYRD of Virginia, Mr. BYRD of West Virginia, Mr. CANNON, Mr. CARROLL, Mr. CASE, Mr. CLARK, Mr. COOPER, Mr. COTTON, Mr. CURTIS, Mr. DODD, Mr. EASTLAND, Mr. ELLENDER, Mr. ENGLE, Mr. ERVIN, Mr. FONG, Mr. GOLDWATER, Mr. GRUENING, Mr. HART, Mr. HARTKE, Mr. HICKENLOOPER, Mr. HICKEY, Mr. HILL, Mr. HUMPHREY, Mr. JACKSON, Mr. JAVITS, Mr. JOHNSTON, Mr. JORDAN of North Carolina, Mr. JORDAN of Idaho, Mr. KEATING, Mr. KERR, Mr. LONG of Missouri, Mr. LONG of Hawaii, Mr. LONG of Louisiana, Mr. MCGEE, Mr. MCNAMARA, Mr. MORTON, Mr. MUNDT, Mr. MUSKIE, Mrs. NEUBERGER, Mr. PROUTY, Mr. RUSSELL, Mr. SALTONSTALL, Mr. SCOTT, Mr. SMATHERS, Mr. STENNIS, Mr. SYMINGTON, Mr. THURMOND, Mr. TOWER, Mr. WILEY, Mr. WILLIAMS of New Jersey, Mr. WILLIAMS of Delaware, Mr. YARBOROUGH, and Mr. YOUNG of North Dakota entered the Chamber and answered to their names.

The VICE PRESIDENT. A quorum is present.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the committee amendment, as amended.

Mr. CLARK. Mr. President, I shall call up shortly an amendment jointly sponsored by the senior Senator from Oregon and me, but I shall not call it up immediately because I have been advised that a point of order may be raised against it on the ground that the amendment is not germane and therefore under rule XXII would be subject to a point of order. I have had, through my staff, informal consultations with the Parliamentarians and they have advised me that they believe the point of order would be well taken.

With deep regret, and expressing my very warm regard for my close friends, the Parliamentarians, for whom I have the greatest respect, I believe the ruling which I have been informally advised they would recommend that the Chair make will be wholly and totally erroneous. Since, under rule XXII, if the amendment is formally called up, a point of order would be in order and an appeal from the decision of the Chair would not be subject to debate, I shall not call up my amendment until all Senators who desire to speak briefly in support of it have been granted the opportunity.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. CLARK. Am I permitted to yield?

Mr. PASTORE. For a question.

Mr. CLARK. A parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator will state it.

Mr. CLARK. Am I permitted to yield?

The VICE PRESIDENT. The Senator can yield for a question.

Mr. CLARK. I should be happy to yield for a question to my very good friend from Rhode Island, with whom I have discussed this matter informally.

The VICE PRESIDENT. The Senator from Pennsylvania yields to the Senator from Rhode Island for a question,

with the understanding that he does not thereby lose the floor.

Mr. CLARK. On that basis, I yield.

Mr. PASTORE. Is this presentation based on our understanding that all who desire to talk will talk before the ruling is made or sought?

Mr. CLARK. The Senator is correct. I thank my friend from Rhode Island for the courtesy he afforded me and other Senators when we discussed this matter informally yesterday.

So, Mr. President, I shall not for the moment call up my amendment, but I wish to make clear to the Senate the reason why I feel so strongly that a ruling by the Parliamentarian that the amendment was nongermane would be incorrect, and that therefore the Senate should sustain an appeal from the decision of the Chair, if the Chair should follow such advice by the Parliamentarian.

I shall read the amendment, which would insert in section 305 of the bill, on page 37, line 13, a new subsection dealing with the powers and duties of corporations. The amendment would provide:

(d) In carrying out the purposes of this Act, enumerated in section 305 (a) and (b), the corporation shall not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. With respect both to its own operations and to the operations of any contractor engaged to carry out these purposes, the corporation shall take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin.

In other words, Mr. President, this is a limited-purpose FEPC amendment dealing with the employment practices of the corporation intended to be created by this proposed legislation.

The contention has been made that an amendment dealing with the employment practices of the corporation is not germane to the purposes of the bill. This contention seems to me to be wholly unfounded, and I will state my reasons briefly.

Section 305(c) of the pending bill provides:

To carry out the foregoing purposes, the corporation shall have the usual powers conferred upon a stock corporation by the District of Columbia Business Corporation Act.

In other words, in terms familiar to every lawyer in this body, the District of Columbia Business Corporation Act is incorporated by reference in this bill, and many of the most important powers and duties, and many of the most important restrictions on what the corporation could and could not do, are set forth, not in H.R. 11040 at all, but in the District of Columbia Business Corporation Act, to which one must turn to see what are the privileges, obligations, and duties, as well as restrictions on the corporation proposed in the bill.

Mr. President, the District of Columbia Business Corporation Act, like every other corporation act in the country, is full of provisions dealing with personnel and employment matters, so it appears to me that if one looks beyond the end of one's nose and takes a glance at the District of Columbia Business Corporation Act, it must be abundantly clear that the amendment, which would modify those provisions to the extent that fair employment practices would be required, is totally and wholly germane to the bill presently pending.

The District of Columbia Act provides, among other things, in section 4 that a corporation shall have power "To elect or appoint officers and agents of the corporation, to define their duties, and to fix their compensation."

My amendment provides merely that in doing so, they must comply with the fair employment practices requirements. They could not refuse to select an officer or an agent because he is a Negro or because he belongs to some religious faith of which the corporation or any of its representatives might not happen to approve. I quote again:

Officers of the corporation are elected by the board of directors at such time and in such manner as may be prescribed by the bylaws.

Can it be said that the bylaws might provide that no Negro shall ever be selected by the board of directors?

Lower level officers and other agents of the corporation may either be chosen by the board of directors or "chosen in such manner as may be prescribed by the bylaws."

All my amendment provides is that the bylaws shall not contain any provision which would not require that all employees of the corporation should be selected without regard to race, creed, color, or national origin.

Mr. President, I submit in all candor that to rule the amendment out of order on the ground that it is not germane could not be sustained in logic or in precedent. I hope very much that a point of order will not be raised. I hope very much it will not be necessary to appeal from a ruling of the Chair. I hope very much that the amendment can be voted on on its merits, and therefore that a motion to table will not be made.

Mr. President, those are fond hopes which I feel will, in the course of the next couple of hours, turn out to be no more than foolish fantasies. I urge Senators to let us come to grips with the amendment on its merits, and not to resort to parliamentary tactics in order to prevent the Senate, for the first time this session, to have a vote on the merits of a civil rights amendment.

The ranks of those of us who have for so long fought to tighten the rule against the filibusters—rule XXII—on the ground that it did not permit the Senate to come to a vote on the merits of proposed civil rights legislation, have been split asunder, albeit temporarily I am sure. Let us face it and admit it. Some of us have fought as conscientiously, as ably, and as sincerely against cloture on the pending bill as we fought conscientiously, ably, and sincerely in opposition to filibusters earlier in the present session and other sessions on the civil rights issue. Others of us have felt with equal sincerity and conviction—and I number myself in the group—that if we would have cloture on civil rights, we could not consistently be against cloture on the bill now before the Senate when a majority is clearly ready to act after lengthy discussion of the issues, even though we thought it was a bad bill—a bill which was against the national interest, a bill which should never have been brought up at the present session of the Congress.

I say to my friends on both sides of the aisle and to those who have voted in the past to prevent proposed civil rights legislation of a meaningful nature from coming before the Senate, as well as to those who have sought such legislation, that now is our opportunity to get a vote on the merits of an important provision that would create or maintain for many citizens of our country those privileges and immunities of citizens which are guaranteed to them by the Constitution of the United States. I plead that we meet the issue on the merits, and not resort to technicalities to prevent that from being done.

Mr. President, the question may be raised that if the amendment is agreed to, will I vote for the bill? The answer is, "No." I will not vote for the bill if the amendment is agreed to, because I think the bill is a bad bill, a bill not in the public interest. I have stated briefly on the floor at earlier times why I have that conviction.

Let me briefly restate my views. I am not one of those who think that the A.T. & T. is a monster. I am not one of those who think that the A.T. & T. and its officers and directors are any less patriotic American citizens than anybody else, including, if you will, all Senators. I am glad that I, my wife, and my daughter are stockholders in small amounts of the A.T. & T. If I were going to vote for the bill—and I am going to vote against it—I would think that every Senator would want to make a public record of the fact whether he does or does not own shares in the American Telephone & Telegraph Co. However, it is not for me to police the ethics or views of other Senators. I am quite content to let them make up their own minds on the conflict-of-interest point. However, I do say that I own less than 100 shares of A.T. & T. My wife owns slightly more than 100 shares of A.T. & T. My daughter and perhaps my son—he has not confided his investment portfolio to me—own some few shares of A.T. & T.

I shall vote against the bill because I think it is a bad bill.

The VICE PRESIDENT. The Senate will be in order. The Senator will suspend.

The Senator from Pennsylvania may proceed.

Mr. CLARK. Mr. President, I oppose the bill because I do not think that the national interest of the United States of America, in promoting the dissemination of information through the new media which would be available through this communications satellite system, can best be advanced by a corporation for profit, nor do I think that it would

be wise to vest in a private corporation as much control over matters which are essentially matters of foreign policy for the President and the Secretary of State to handle as the bill purports to do.

After all, one of our great objectives in creating a new satellite communication system should be to assure that the nations of the underdeveloped part of the world—Latin America, Africa, and Asia—should be brought into the modern world through the educational process, through the amelioration of their social and political conditions and through the increase in their gross national product and per capita income, until the time when they can play their part to a greater extent than they are able to do at the moment in moving ahead in the cause of freedom and in the cause of civilization.

I believe that that cause can best be served if we have a communications satellite system which can freely and without thought of profit make available to these underdeveloped areas of the world the information coming by TV or radio over this satellite system, without having to think about whether, if that is done, whether it will be possible to declare a dividend. So I believe this is a bad bill in the two regards that I have just stated.

Let me say further, however, that I do not favor Government operation of this system, I am opposed to Government operation. I believe that the Government should own and control the system only to the extent that it is necessary to assure its operation in the public interest. The system will be expensive to put into operation, and only the general taxpayer will be prepared to provide the moneys necessary to provide the best satellite system—not the second best, but the best. I would favor leasing or contracting for the operation of the satellite system with that company or group of companies which, as a result of proposals and specifications submitted to the Government, gave promise of continuing the operations at the least cost to the taxpayer, but also assuring that a fair profit would be made by the free enterprise companies who bid for the work.

I would provide from time to time that the Government make arrangements to review the operations of the system or systems, so that if new developments occurred, they could be used, and it would be possible to take advantage of the latest research for the operation of the satellite system, without undue regard to the effect on profits. A factor which is present all too frequently in our private industrial system is an unwillingness to scrap obsolescent or obsolete equipment and methods, because of the adverse effect on current profits.

For these reasons and others I have cited before, I shall vote against the bill.

Mr. DOUGLAS. Mr. President, will the Senator yield in my time?

Mr. CLARK. I am happy to yield for a question to the Senator from Illinois, on his time, with the understanding that I shall not lose my right to the floor.

A parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator will state it.

Mr. CLARK. Have I the right to do that?

The VICE PRESIDENT. The Parliamentarian informs the Chair that that would be in violation of the rule.

Mr. CLARK. I suggest to the Senator, in view of the ruling, that he wait, and that I shall be happy to yield to him briefly at a later time.

Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CLARK. Is it not possible to yield for a question on my time?

The VICE PRESIDENT. The Senator can yield for a question to any other Senator, but he cannot yield in another Senator's time. He can yield only in his own time.

Mr. CLARK. How much time have I taken thus far?

The VICE PRESIDENT. Sixteen minutes.

Mr. CLARK. I yield to the Senator from Illinois on my time, for a question.

The VICE PRESIDENT. The Senator from Pennsylvania yields to the Senator from Illinois for a question in his time.

Mr. DOUGLAS. I thank the Chair.

I ask the Senator from Pennsylvania this question: In connection with his FEPC amendment, is it not true that the President's Equal Job Opportunity Committee has received, during the last year and a half, 18 to 20 complaints from the NAACP concerning alleged employment discrimination by A.T. & T. or its subsidiaries, namely, Southern Bell Telephone Co., Southwestern Bell Telephone Co., Western Electric, and the Chesapeake & Potomac Co.?

Mr. CLARK. The Senator is correct.

Mr. DOUGLAS. In other words, this company has already been complained against for discriminating in matters of employment on grounds of race and color?

Mr. CLARK. The Senator is correct.

Mr. DOUGLAS. So that there is a real fear that it would continue to discriminate if it were either the controlling company or if it were the operating company under a contract from the Government?

Mr. CLARK. I share the Senator's concern in that regard.

Mr. DOUGLAS. Is it not true that these complaints have fallen into three categories; namely, first, those in which the Committee has no jurisdiction, as the Federal Government has no contract with the facilities in question?

Mr. CLARK. That is one of the categories.

Mr. DOUGLAS. If there is an outright private satellite corporation, without an FEPC amendment in the act, could not this fact be used as a defense against putting the company under a no-discrimination contract?

Mr. CLARK. I should think it would.

Mr. DOUGLAS. The second category includes those complaints in which the allegations have not been resolved between the complainants and the Committee.

Mr. CLARK. The Senator is correct.

Mr. DOUGLAS. If they were not satisfactorily resolved, and if A.T. & T. and its subsidiary continued to discriminate, then the Committee would have difficulty in obtaining jurisdiction. Is that correct?

Mr. CLARK. The Senator is quite correct.

Mr. DOUGLAS. The third class is the class in which complaints have been satisfactorily resolved, and this, I believe, is primarily the case with respect to Western Electric, which is the manufacturer of equipment for A.T. & T., and which is located in the city of Cicero, just outside Chicago.

Mr. CLARK. The Senator is correct according to my information. I point out also that there are instances in which subcontracts will inevitably be let to concerns operating in areas where, to put it mildly, fair employment practices are the exception rather than the rule. I believe we should provide in the bill an absolutely watertight prohibition against any discrimination wherever it may occur. The need for it is clear. There is a General Accounting Office regulation calling for the "permissive nonuse of contracts" in the Government's relations with utility companies where rates and tariffs are regulated by law. Therefore, in the bulk of cases coming to the attention of the President's Committee, it is likely to be found that the Committee does not have jurisdiction under the Executive order, which is limited in scope in non-Federal employment areas to cases in which employment is performed under contract with the Government.

Mr. DOUGLAS. In other words, do I correctly understand the Senator, who is a very able lawyer and a very distinguished member of the Philadelphia bar—and Philadelphia lawyers are supposed to be the best in the Nation——

Mr. CLARK. I am an ex-lawyer.

Mr. DOUGLAS. In other words, utilities perform their services for the Government on a noncontract basis?

Mr. CLARK. Frequently.

Mr. DOUGLAS. Commonly?

Mr. CLARK. Commonly.

Mr. DOUGLAS. Therefore, since they do not perform their services on a contract basis, they are not bound by the antidiscrimination clauses which are included in most of the Government's contracts?

Mr. CLARK. The Senator is correct.

Mr. DOUGLAS. Therefore, unless there is specific statutory authority, in all probability A.T. & T., or whatever communications carrier is set up, could permit discrimination and could not be held to any account by the President's Special Commission on Employment Opportunities?

Mr. CLARK. The Senator is correct.

Mr. DOUGLAS. Therefore, the Senator from Pennsylvania and the Senator from Oregon feel very strongly that this clause should be written into the basic legislation?

Mr. CLARK. I hope my concern is shared by many Senators.

Mr. DOUGLAS. It is shared by me. In connection with this subject, I am

sure the Senator remembers, does he not, the pledge in the Democratic Party's platform of 1960, that the Democratic Party would work for the abolition of discrimination on the ground of race, creed, color, or national origin?

Mr. CLARK. I do indeed. I point out that there is an equally interesting clause in the Republican platform, which reads as follows, under the heading "Employment":

> We pledge continued support for legislation to establish a commission on equal job opportunity, to make permanent and to expand with legislative backing the excellent work being performed by the President's Committee on Government Contracts.

Therefore, both parties are on record as supporting this type of legislation. This is the first time in the history of the Senate that there has been an opportunity to bring such a measure to a vote. It is my hope that the Senate will not defeat it.

Mr. DOUGLAS. In the past the filibuster or threat of filibuster has prevented the Senate from voting on this measure, is that correct?

Mr. CLARK. The Senator is correct.

Mr. DOUGLAS. Does the Senator from Pennsylvania remember the words of Samuel Johnson:

> Words are the daughters of earth, and * * * things are the sons of heaven.

Mr. CLARK. The Senator is contributing to my adult education. I am sorry I am not as familiar with these words as he is.

Mr. DOUGLAS. Is it not true that today will be the payoff as to whether we believe in the platforms and principles we have advocated before the country, or whether they are simply for campaign purposes?

Mr. CLARK. I hope that today will be one of the payoffs; but I hope there will be many more payoffs in the years ahead.

Mr. President, I thank the Senator from Illinois for his helpful interjection. I read now from the unanimous recommendations contained in the 1961 report of the Commission on Civil Rights:

> Recommendation 1: That Congress grant statutory authority to the President's Committee on Equal Employment Opportunity or establish a similar agency—
>
> (a) To encourage and enforce a policy of equal employment opportunity in all Federal employment, both civilian and military, and all employment created or supported by Government contracts and Federal grant funds.

Nothing could be clearer than that the Democratic Party, the Republican Party, and the U.S. Commission on Civil Rights are all in accord that this type of antidiscrimination legislation is necessary, and I am confident they would all be in accord in believing that this bill is one of the best places in the world to initiate such legislation.

I shall shortly yield the floor, stating my intention, when all Senators who desire to speak on my amendment have completed their remarks, of calling it up.

I yield the floor.

Mr. KEATING. Mr. President, I find myself in general agreement with the distinguished Senator from Pennsylvania with regard to this amendment, although not with regard to the bill as a whole. I shall vote for the bill whether the amendment is adopted or not, and later in the debate shall state my reasons why I favor the bill. But I am in agreement with the distinguished Senator from Pennsylvania on the merits of this amendment and its germaneness to this bill. All that the distinguished Senator from Pennsylvania is seeking to do by the amendment is to simplify what is set forth in subparagraph (c), which provides:

> To carry out the foregoing purposes—

That is, the powers set forth in the earlier part of section 305—

> the corporation shall have the usual powers conferred upon a stock corporation by the District of Columbia Business Corporation Act.

The amendment would then continue the purpose by providing that in carrying out these same purposes, the corporation shall not discriminate against any employee or applicant for employment on the ground of race, creed, color, or national origin.

I believe strongly that such language is germane to the purposes and powers of the corporation. I believe strongly that the best place in the world to include a provision for nondiscrimination in employment, is in this corporation which will be a semiprivate, largely private corporation, but will have strong provisions for governmental supervision.

In my judgment, it should be clearly the national policy for Government agencies and for corporations, as clearly associated with the public interest as this corporation will be, to hire its employees on the basis of merit. The language of the proviso would apply not only to the operation of the communications satellite corporation itself, but also to the operations of any contractor engaged to carry out this work. The amendment further requires that the corporation take affirmative action to insure that no employee or applicant for employment shall be discriminated against because of race, creed, color, or national origin. It is strong language; but under the circumstances which confront us, it is necessary.

The proposed corporation will play a unique role in a new area of Government-industry cooperation. The proposed legislation is the only genuinely new legislation, which we have been seeking to pass at this session of Congress. It is an important measure. As I have said, the corporation will play a unique role. It is my hope that it may be able to set an example to American business in all parts of the country, and in all other nations, as well, where the impact of space communications may be felt.

The language of the proposal is wholly consistent with the official policy of the U.S. Government. Although technically the corporation would not be a Government agency, as we who favor the bill do not wish to have it, and as we have fought not to make it, yet it will be operating in conformity with Government policies. In the eyes of the world it will be a symbol of how American business functions. For these reasons, it is altogether fitting and proper—indeed, it is desirable and necessary—that language of this kind be included in the bill.

One of the first and foremost opportunities which a free and growing country must offer to all its citizens, if it is to continue to thrive, is the economic opportunity to earn a living according to one's training and ability, and according to no other standard. The chance for every individual to work his way in our society should not be limited by his race, his religion, his color, or his national origin. Jobs and career opportunities must be available only on the basis of ability. Promotion or preferment possibilities should depend on the quality of the work an employee is doing, and on nothing else. His longtime economic security should not depend on whether he is a member of any particular racial, religious, or nationality group.

For most of the breadwinners in this country, the right to fair treatment economically, the right to hold a job on the basis of merit, is one of the most important aspects, if not the most important, of a free society. It is a vital, a bread-and-butter issue which none of us can ignore. For that reason, Mr. President, I believe that the Senate would be doing a service to the entire Nation by establishing this principle clearly and unequivocally in the very heart of this legislation. All the people of America are supporting our national space effort. All the people of America have been taxed to support our space ventures. When the tax collector comes around to collect their taxes, he does not ask what their race or color or national origin is. He collects the taxes from the pay envelopes of everyone, and part of that money is used for the space effort in which we are engaged.

Therefore, the people have a right to expect that in this important field they will be treated on their merits, not in accordance with some outmoded or discriminatory ideas of race, nationality, or religious restrictions. As we enter the new space age, we should have our eyes on the abilities of each individual, not on his background. We should look forward to a future in which competence and ability will be the yardsticks by which the individual will hold his job. And by giving vigorous support to this amendment, we can put the firm seal of Senate approval upon the principle of fair employment practices in this vital area of national effort.

I call the attention of the distinguished Senator from Pennsylvania [Mr. CLARK] and the attention of other Senators to the fact that this is not the first effort at this session to put into effect this part of the provisions of the platforms of both political parties, and I agree with the Senator from Pennsylvania that it is clearly within the platforms of both parties to support this amendment. We had a similar amendment under consideration when the agricultural bill was before us. An amendment to title I of the bill provided for

setting land aside for recreational facilities, in order to take land out of production. In connection with that amendment, there was offered an additional amendment providing that those facilities should be open to all citizens, regardless of their race, color, creed, or national origin. I am sorry to say that amendment was rejected—although by a narrow margin. I shall offer the amendment again when the farm bill is again before us.

The distinguished Senator from Pennsylvania [Mr. CLARK] and the distinguished Senator from Illinois [Mr. DOUGLAS], as I recall, voted for that amendment when it was offered before, in connection with the agricultural bill. Unfortunately, by a margin of approximately three votes, as I recall, that effort to carry out this plank of the platforms of both parties was defeated. But in a short time we shall have another opportunity to test whether the Members of this body will vote in favor of carrying out this plank of the platforms of the respective political parties.

Mr. President, at this point let me say that I was not present when yea-and-nay vote No. 159 was taken. If I had been present at that time, I would have voted "yea."

Mr. YOUNG of Ohio. Mr. President, this amendment will guarantee that officials of the proposed satellite communications corporation shall not discriminate because of a person's race, creed, color, or national origin, either in regard to the employment practices of the corporation or in regard to the operations of its subcontractors.

Mr. President, I should like to vote for this meritorious amendment, and I expect to vote for it. I commend the distinguished senior Senator from Oregon [Mr. MORSE] and the distinguished senior Senator from Pennsylvania [Mr. CLARK] for having introduced this amendment. It seems to me that the amendment is germane to this bill, and that a point of order against the amendment should be overruled. However, if the Presiding Officer at the time when such a point of order is made rules otherwise, at this time I reserve my decision as to how I shall vote on the question of whether the ruling by the Chair should be sustained.

Mr. President, may I preface my remarks by stating that as a member of the Senate Committee on Aeronautical and Space Sciences, I voted to report, with a recommendation that it pass, the administration's space communications satellite bill, as amended. I supported the President's views on private ownership, and I support them now. I vigorously opposed any provisions which would have allowed the giant communications carriers to seize control of, completely dominate, and reap the profits from the proposed satellite communications corporation. Also, Mr. President, I attended every session of the Senate Committee on Aeronautical and Space Sciences, listened to the testimony of the witnesses, and studied the bill. I feel that I worked industriously in the committee in favor of the adoption of provisions which would enable small investors in our country—and, in fact, the world over—to participate in this corporation, so as to insure the widest possible range of ownership and control. I opposed a proposal for the sale of stock at $100,000 a share; and I opposed a provision in the administration's bill, as introduced, for the sale of stock at $1,000 a share. I very definitely objected to that provision, as I felt that it would work to freeze out small investors. Instead, I desired to have it made possible for millions of people with moderate incomes the world over to share in this new enterprise, if they choose to invest in the great corporation for which we are providing.

It is a fact that private companies have already spent huge sums of money on vitally important research and development programs in this field. It was not until 1961 that the Federal Government began to invest heavily in space communications directly applicable to commercial uses. In reality, there is already in this field what might be termed a quasi-partnership between the Federal Government and private communications carriers.

All the communications systems are presently in the hands of private enterprise and have been over the years. Historically, our communications development has been the result of the efforts of privately owned corporations. Why then should we hesitate about extending the same principle to a new branch of this system? The Federal Government subsidizes many important industries and performs valuable and expensive research in others—agriculture, airlines, medicine, to name a few—but no serious claim has been made that the Government should preempt these fields.

We live in a space age of challenge. Americans have always had the pioneering spirit. Private investment has already gone into the technology which made Telstar an achievement of which every American may well be proud. Of course, this triumph would not have been possible except for the expenditure of millions of dollars of taxpayers' money in our exploration of outer space. Recent events have convinced all of us that we must continue to spend taxpayers' money in this endeavor, as we cannot afford to permit the Soviet Union to dominate and control outer space. On the other hand, this achievement would undoubtedly have been impossible without the research of private firms.

The principle of free enterprise is basic to the American economy. This principle will best be served by a corporate structure in which many small investors can participate in the ownership and profits of the satellite communications corporation. This is my belief after listening to debate in committee and in the Senate Chamber, and this is the belief I shall stand by.

This principle is preserved in this legislation. The bill before us protects the companies already in the field of international communications. It protects the investment of American taxpayers. According to my view, this bill as amended is a legislative proposal carrying forward and exemplifying the best in our free enterprise system, and I intend to give it my support.

Mr. President, had this fair employment amendment been considered in committee, I would have supported it. More than $400 million of taxpayers' money is invested in projects connected with the development of communications satellites. In addition, billions of taxpayers' dollars were spent in other aspects of space research and development without which communications satellites would not have been possible. These tax dollars come from citizens of all races, creeds, and national origins. When these taxes were collected no one asked the taxpayer his religion or took note of his color. Now, we are about to create a corporation to administer the fruits created by this money, and, incidentally, to collect the profits. Perhaps I am an optimist on the subject, but I believe there will be profits. The U.S. Government will be a partner in this exciting new space age venture. To be sure, investors will not be questioned as to their race or creed. Likewise, we should make absolutely certain that no American shall ever be denied employment or participation in this national enterprise because of his color or creed.

Mr. President, as a delegate from my State of Ohio to the Democratic National Convention in 1960—the same convention which I am very happy to say, nominated John F. Kennedy for President of the United States and Lyndon B. Johnson for Vice President—I voted for the platform of my party—a document entitled "The Rights of Man." The right of fair employment practices is reaffirmed in numerous planks of the platform. The section on discrimination in employment states:

> The right to a job requires action to break down artificial and arbitrary barriers to employment based on age, race, sex, religion, or national origin.

The section on welfare states:

> We propose * * * to help solve problems of discrimination in housing, education, employment, and community opportunities in general.

Finally, the civil rights plank specifically reads:

> The new Democratic administration will support Federal legislation establishing a Fair Employment Practices Commission to secure effectively for everyone the right to equal opportunity for employment.

Mr. President, I voted for these principles as a delegate to my party's national convention. I reaffirm my belief in their validity. I could not do otherwise.

Mr. President, in this bill we have been carefully solicitous of the principle of free enterprise and the rights of private industry. We must also ever support and uphold the rights of freemen and private individuals. To do otherwise would be contrary to the principles of the Democratic Party upon which President Kennedy and Vice President Johnson were elected, and, much more important, contrary to the principles upon which I believe our country was made great.

I yield the floor.

Mr. GRUENING. Mr. President——

The VICE PRESIDENT. The Senator from Alaska.

Mr. GRUENING. Before speaking on the pending amendment, which I favor, I would like to call the attention of the Senate to the fact that former President Truman has spoken twice in opposition to the proposed legislation. He arrived in Washington last Thursday and was met here by a group of reporters and made an off-the-cuff statement; but, apparently thinking this was not sufficient, when he returned to Independence, he called a press conference and gave out another statement, which I think should be called to the attention of the Senate, because it seems to have been omitted from some of the press. At least, I could not find it in the papers which appeared that afternoon and next morning. Former President Truman stated as follows:

When I arrived in Washington, Thursday morning, August 9, 1962, I was met, as usual, by many of my reporter friends. They had at least a dozen microphones set up, in front of which they asked me the usual questions.

In the answer to the question, "What do you think of the Senate filibuster on the bill to give away the power of atomic energy to private control—the power of the space communications program?"—he replied that he was against it. He said:

The Government of the United States has furnished between $25 and $30 billion to develop it without injury to so-called private enterprise.

That has been done in the Tennessee Valley development and the Northwest power pool. How far could we have proceeded in the development of atomic power if there had been no TVA and no power pool in the Northwest.

The special interests have been busy trying to ruin both those projects. Now they are as usual working on the greatest power control in history; the power of space communications.

It was my privilege to lay the keel of the first ship powered by atomic energy. It was a success. This power will be a success for the future development of all the power necessary in this world for heat, light, and energy.

Why tie up the space communications program in a way so the so-called special interests can tax future generations. The people as a whole paid for its development. They should have the benefit.

That benefit can be obtained from this great discovery and it should not be given away. The people who pay taxes have paid for it and the people of the United States should have the benefit.

The pending bill would give away the people's ownership.

That was tried at Muscle Shoals in Alabama as the Dixon-Yates program for the purpose of its possibly ruining TVA.

It was successful in hampering the Northwest power pool when Hell's Canyon was given away.

It is my opinion that the Government of the United States should keep the ownership and control of this great discovery, financed and proven as practical by the Government of the United States.

Mr. President, I think this is a fine statement and one with which I fully agree. It presents my point of view.

I have no objection to private enterprise. Indeed I favor it whenever possible. I would be perfectly willing to have A.T. & T. or any other company knowledgeable in this field operate the satellite, provided the Government keeps control and puts it out on a lease basis, on competitive terms, so that if there should be any abuses by the operating company—if rates should turn out to be exorbitant, or if there should be developments against the public interest or any improper practices—the Government could exercise its control and rectify the situation, which it cannot do under the terms of the present bill. It is a bad bill for a number of reasons that were brought out in the amendments that we presented. They represent the changes that would have made it a good bill.

Mr. President, yesterday I spoke in favor of the Morse-Clark amendment to prevent discrimination in employment under the legislation by the corporation which will operate the communications system. I mentioned yesterday that there have been complaints of discrimination in the case of the Southern Bell Telephone Co., which is an important subsidiary of the American Telephone & Telegraph Co., and an integral part of its system. I am reliably informed that there have been further complaints as to other subsidiaries, and that they have come to the President's Equal Job Opportunities Committee. These complaints show that there have been discriminations not merely in regard to Southern Bell Telephone Co., but also in regard to Southwestern Bell Telephone Co., Western Electric, and in Washington, D.C., the Chesapeake & Potomac Telephone Co.

It seems to me to be profoundly shocking that we are about to launch this enterprise before the whole world without protecting our citizens against this type of discrimination in employment based on race, creed, color, or national origin.

I think this is the acid test as to how Members of the Senate feel on this important issue which has been one issue which in other fields the administration has pursued vigorously, as to which the distinguished Vice President has had a part. It seems to me that throughout the bill we should make provision for nondiscrimination, in the face of proved discrimination by subsidiaries of the American Telephone & Telegraph Co. We should not permit the bill to go through without these requirements being written into it.

How would it appear to the world? How would it appear to the people of Latin America, if the satellites should be launched and operations conducted by a company which discriminates against people on the basis of race, creed, color, or national origin? How would it seem to the twoscore emerging nations of Africa, which we are trying to win over to our side in this conflict between totalitarianism and freedom, if we should nullify our fine professions and permit the vast amount of money which we are sending to this area, in order to bring those people to our side, to be used under discrimination?

How will the people of India feel? India now holds the balance of power between freedom and totalitarianism on the Asian Continent, and has a half billion people who are of darker color. How will it appear to them if we do not take the precaution and do not insert this provision in the proposed legislation?

I very much hope that the amendment will be adopted by an overwhelming vote.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The question is on agreeing to the committee amendment, as amended.

Mr. BURDICK. Mr. President, yesterday I received a letter from Bruce Hagen, commissioner of the North Dakota Public Service Commission, which I thought would be of interest to my colleagues. I should like to read it.

DEAR SENATOR BURDICK: I have been following your efforts in regard to the communications satellite system. I think it makes a good deal of sense that this system should be leased by the Government to private business because I can agree that this would not be putting the Government in the telephone business, but it would be a means of insuring free private enterprise and competition rather than the Government creating a private monopoly.

There is no rush for the Government to approve a different method. This can be done at any time, if a leasing arrangement would not prove satisfactory.

There is a public domain in space just as there was in the early frontier days in this country. The Russian Government has just put up two cosmonauts. I think this points out the very definite need for some tight strings on communications satellites in the next few years.

Private investor-owned utilities must operate for a profit in order to survive. This means that many areas in this country, and, conceivably in this world, could not obtain the benefits of global television communications via the communication satellite system as there might be no profit involved for the private utility. This is why the Government must, at the very least, lease this communication satellite system rather than giving it away. If leasing cannot be obtained, usage at cost of the system by the Government for defense purposes must be insured.

I hope that you obtain favorable action from your efforts to protect the public interest for the American people.

With kindest personal regards, I am,

Sincerely yours,

BRUCE HAGEN.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. BURDICK. I yield to my colleague for a question.

Mr. MORSE. Will the Senator inform me who Bruce Hagen is?

Mr. BURDICK. Bruce Hagen is a member of the three-man commission known as the Public Service Commission of North Dakota, which deals with the regulation of utilities and other matters.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. BURDICK. I yield.

Mr. MORSE. As a member of the Public Service Commission of North Dakota, would Mr Hagen be well informed concerning the practices of monopolies in the field of communications?

Mr. BURDICK. I am sure he is a very well versed man in that field.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. BURDICK. I yield.

Mr. MORSE. Would the Senator agree that when we receive a letter from a public service commission which, in effect, protests the turning over of the satellite communications system to the monopoly to be created by the bill, we ought to give heed to the warning?

Mr. BURDICK. I think that is correct. I am not sure that this is a formal action by the Public Service Commission of North Dakota itself, but it is certainly an expression by one member of the commission.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. BURDICK. I yield.

Mr. MORSE. It is true, is it not, that the amendments offered by the Senator from North Dakota sought to protect the public interest? I commend the Senator for his courage and for his foresight in opposing this administration's giveaway of a satellite communications system in collusion with a unanimous bloc of Republicans on the other side of the aisle.

Would the Senator agree with me that we ought to do everything we can to gain adoption of the amendments he, I, and other Senators have offered, if we are to carry out the objectives stated by Commissioner Hagen of the Public Service Commission of North Dakota?

Mr. BURDICK. I say to the able Senator from Oregon that I have been doing my best to do exactly that. The amendment the Senator first offered to the Senate regarding the bill was one which would have granted the Federal Government authority to lease the system to private enterprise. It has been my position all through this debate that that is what should be done. I am happy to find that Mr. Hagen has the same point of view.

Mr. MORSE. It is true, is it not, that the Senator from North Dakota, the senior Senator from Oregon, the junior Senator from Oregon, and other Senators who have fought the giveaway of our satellite communications system potentialities, have urged only that the satellites remain American-flag satellites, but that they be operated by American private industry?

Mr. BURDICK. The Senator is correct.

Mr. MORSE. It is true, is it not, that if one of our amendments had been adopted—the so-called NASA amendment—it would have enlarged the jurisdiction and authority of NASA, the agency now in charge of the development of a satellite system for the U.S. Government, so that it could have leased, contracted, or licensed the use of these satellites to private enterprise?

Mr. BURDICK. That was the reason for the amendment.

Mr. MORSE. It is true, is it not, that we stand for Government ownership, but private competitive business operation of the satellite?

Mr. BURDICK. That has been the position of the junior Senator from North Dakota at all times.

Mr. MORSE. It is true, is it not, that if we give away the system to the most powerful monopolistic combine that has ever yet been envisioned, in fact, to the first cartel that has ever been seriously proposed in legislation before the Senate, the American taxpayers will have lost a precious right which ought to be preserved for them, namely, the right to control the administration of the communication satellite system?

Mr. BURDICK. I feel that the loss would be irreparable.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. BURDICK. I yield.

Mr. MORSE. Is the Senator aware that in this great fight for the public interest, the former President of the United States, Harry S. Truman, one of the incomparable liberals of American history, has taken an unequivocal stand in opposition to the monopolistic bill that is being foisted upon the American people? Is the Senator aware that Harry Truman has made his views known, both in a press statement in Washington the other day, and also in a prepared press release that he issued from Independence, Mo.?

Mr. BURDICK. I heard that statement a few minutes ago from the able Senator from Alaska.

Mr. MORSE. Is the Senator aware that former President Truman has written a short letter addressed to me which reads as follows:

DEAR WAYNE: For your information I am enclosing a copy of the statement that I issued this afternoon.

Sincerely yours,

HARRY TRUMAN.

And then in his handwriting that he added:

Keep up the fight. You are right.

Does the Senator agree with me that this statement indicates pretty clearly the unequivocal opposition of Harry Truman to the proposed giveaway set forth in the bill now pending before the Senate?

Mr. BURDICK. It most certainly expresses the opinion of the former President of the United States in his own inimitable way.

Mr. MORSE. Would the Senator be willing, on his time, to insert in the RECORD, on my behalf, the press statement issued by Harry Truman in Independence, Mo., the other night with the corrections thereon? President Truman has authorized that his statement be corrected so that it refers to the communications satellite system instead of atomic power.

Mr. BURDICK. I am happy to do so.

Mr. President, I ask unanimous consent that the press release issued by former President Harry S. Truman be printed at this point in the RECORD.

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

PRESS RELEASE MONDAY AFTERNOON, 2 P.M., AUGUST 13, 1962

When I arrived in Washington, Thursday morning, August 9, 1962, I was met, as usual, by many of my reporter friends. They had at least a dozen microphones set up, in front of which they asked me the usual questions.

One question seemed to interest them very much. It was, "What do you think of the Senate filibuster on the bill to give away the power of space communications program to private control?"

My reply was that I am against it. The Government of the United States has furnished between 25 and 30 billions of dollars to develop it without injury to so-called private enterprise.

That has been done in the Tennessee Valley development and the Northwest power pool. How far could we have proceeded in the development of atomic power if there had been no TVA and no power pool in the Northwest?

The special interests have been busy trying to ruin both those projects. Now they are as usual working on the greatest power control in history; the space communications program.

It was my privilege to lay the keel of the first ship powered by atomic energy. It was a success. This power will be a success for the future development of all the power necessary in this world for heat, light, and energy.

Why tie up the space communications program in a way so the so-called special interests can tax future generations? The people as a whole paid for its development. They should have the benefit.

That benefit can be obtained from this great discovery and it should not be given away. The people who pay taxes have paid for it and the people of the United States should have the benefit.

The pending bill would give away the people's ownership.

That was tried at Muscle Shoals in Alabama as the Dixon-Yates program for the purpose of its possibly ruining TVA.

It was successful in hampering the Northwest power pool when Hell's Canyon was given away.

It is my opinion that the Government of the United States should keep the ownership and control of this great discovery, financed and proven as practical by the Government of the United States.

Mr. JAVITS. Mr. President, I rise in favor of the amendment which has not yet been offered, but which will be. I speak as one Senator who will vote for the bill. Later in the day I hope to outline to the Senate my reasons for supporting the bill, notwithstanding the scare in imprimaturs or labels which my friends have stamped upon it.

I yield to no one in the Senate Chamber in my solicitude for the public interest or in being a liberal in the true sense of the word. Nonetheless, I shall support the bill. I shall state my reasons and be willing to debate them with anyone who chooses to debate them with me.

As a Senator who will support the bill, I feel strongly that the amendment should be a part of it. I feel that way because I believe it is time to face realities. Albany, Ga., should awaken us to the realities of life. If we are to sit on the boiling cauldron which is represented by race relations, equal opportunity, and civil rights in our country, the result will be to induce people who are frus-

trated and despairing and who have no other place to turn, to resort to extralegal means. That does not mean that the means would be illegal. It merely means that they are extra legal. Whether it means Gandhian nonresistance to an immobilization of the processes of society in government, or whether it means an outbreak in some other direction, it is nonetheless dangerous to the body politic.

Mr. President, if I must make the statement a thousand times, I repeat it most advisedly today. We are doing the damage to ourselves, and the fact that the Congress is not acting as it should in respect of legislation in that field is an important contributing factor.

I place a good deal of the responsibility at the door of the President of the United States; for whatever may be his other virtues in this field with respect to litigation and personal actions, which are highly commendable in respect of equal opportunity, he has sedulously refrained from demanding of the Congress legislation which only the Congress can pass, and which alone can deal with the situation.

In the bill we have an opportunity to act in that spirit. I propose that we take it. In my mind, and with all deference to the Parliamentarian, the amendment is entirely germane and entirely lawful. I shall vote in favor of any appeal from the Chair on that subject for the following reason:

The bill enters into the highest degree of specialization as to qualifications. I direct attention to section 302 and section 303 (a) and (b), as to who shall be incorporators, who shall be directors, who shall be stockholders, and even who shall be officers.

For example in section 303(b) it is provided that:

> No individual other than a citizen of the United States may be an officer of the corporation.

Mr. President, if we can qualify incorporators, directors, and officers, we can qualify employees as well. The amendment is completely germane to the provisions of the bill once we have undertaken to make such specifications.

There is no statutory base under the President's Committee for Equal Employment Opportunity. In this particular case it can be defied, in my opinion, and there would be great difficulty in doing anything about it, because it is unlikely that there would be formal contracts with the United States of such benefit to the proposed corporation that the danger of cancellation of such contracts would be either practical or meaningful. That is the only recourse that the President's Committee has, and no other, in the absence of any statutory base under it.

So, Mr. President, that is not an effective section.

Second, and very importantly, we are not trying to legislate in respect to some unique statute which is alone the one which would contain the particular proposed clause with respect to equal opportunity. Such a provision is contained in the School Lunch Act. It is contained in the Selective Service Act. It is a very bad provision, but nonetheless a provision exists on that subject.

A very bad provision, but nonetheless a provision on that subject, against which I have fought, is contained in the Hill-Burton Hospital Construction Act, which contains the separate but equal provision, and in the Morrill Land-Grant College Act, which also has the separate but equal provisions. So to say that the amendment would kill the bill is saying that amendments of a similar character could have killed a number of other bills.

The point is that the Senate has imposed cloture. It has imposed cloture because it wishes to rid itself of the danger of frustration on this particular measure. In that case it is my belief that that procedure should cut right across the board for amendments which we may like as well as for amendments which some of us may not like though, as I say, I am strongly in favor of the present amendment.

Finally, I hope very much that there will be a really bipartisan attitude upon the particular amendment before the Senate. I listened with great interest. Because of time limitations yesterday I was unable to reply to my dear friend the Senator from Illinois [Mr. DOUGLAS], who spoke of the fact, to use his own words, that "A vast majority of Republicans were not for cloture when cloture would have protected the Negroes of the South."

With all deference—and my friend from Illinois and I are partners in the great civil rights effort, and I am very proud to be associated with him in it—that is not quite accurate. I would like to refer to the fact that at the beginning of the 1961 session, on the motion to refer the rule XXII amendment to the Rules Committee, 32 Democrats voted "aye" and 31 voted "nay." On the Republican side 18 Republicans voted "aye" and 15 voted "nay." To use the words of my friend from Illinois, that was no "vast majority."

Similarly in September 1961, on the motion to invoke cloture, 11 Republicans voted "aye" and 15 voted "nay." Among the Democrats there was the same situation: 26 voted "aye," 28 voted "nay."

Then on the motion to table, which came later, in September 1961, with respect to the rule XXII amendment, 17 Republicans voted "yea," and 10 voted "nay"; 30 Democrats voted "yea," and 25 Democrats voted "nay."

In short, this effort has been constantly a bipartisan effort. I would not wish to see whatever happens with respect to the communications satellite bill destroy or distort that particular situation.

To sum up, a nondiscrimination amendment has been present in other measures, and has not killed them; it will not kill this measure. It belongs in the pending measure because there is no statutory base in the President's Committee on Equal Job Opportunity among Government contractors, and no sanction under the terms of the bill.

Finally, Mr. President, it is high time that we in Congress legislate in this field, because otherwise we are facing, as the situation in Albany, Ga., shows, a very serious situation, in which those who are being disadvantaged and abused and not treated as citizens of the United States will feel that they have to pursue extralegal means in order to attain perfectly legal ends. We must by all means guard against such a situation, and see that nothing of that character overtakes us. If there is anything I can do about it, I shall do my utmost to see to it that our Nation is not found lacking in this critical area.

Mr. MANSFIELD. Mr. President, is the Senator from Pennsylvania offering his amendment?

Mr. MORSE. Mr. President, I should like to have the attention of the majority leader. I propose to suggest the absence of a quorum, in order to permit time for the Senator from Rhode Island to come to the floor, so that no one will be able to say that I made my remarks in his absence. I will withdraw the quorum request as soon as the Senator from Rhode Island comes to the floor. This will be the last speech on this subject. I therefore suggest the absence of a quorum.

Mr. MANSFIELD. That is fair.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MORSE. 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. MORSE. I shall speak a few minutes on the Morse-Clark amendment under the gag rule which has been imposed on us by the leadership. It is a Senate gag rule which has denied to the American people a precious right which should never be denied them—the right of having full and adequate time to have the major decisions of the era discussed fully before their legislative bodies. This is especially true upon a measure which affects not only the welfare of the American people but their relationships to other nations for decades to come. It is legislation, I emphasize, which seeks to take from the American people their precious right to have American-flag satellites in space and transfers this right to the monopoly created by this bill.

The amendment before the Senate is the Morse-Clark fair employment practices amendment. There has developed in the debate the argument that the senior Senator from Oregon moved to lay on the table, when he was floor leader on an education bill, an amendment which sought to deny funds to segregated schools.

I have pointed out, as the RECORD will show, and I do so again this morning, that there is a Supreme Court decision which has outlawed segregation in public schools in the United States. It is the responsibility of the Department of Justice and other executive agencies of the Government of the United States to enforce that decision. If the executive agencies need any further enforcement power that they have not received or

have not yet asked for, the civil rights legislation now on the books should be amended.

The duty of enforcement of civil rights in public schools is the duty of the Department of Justice. Neither under the Eisenhower administration nor yet under this administration, in my judgment, have fully adequate steps been taken under existing law to carry out the Supreme Court decision.

The proposal which was made when I was floor leader on the education bill had nothing to do with the matter of the enforcement by the Government of civil rights in the schools. What it would have done would have been to deny possibly to some States money for the building of needed schools in some school districts which were in compliance if other school districts in the State were not. What it might have done would have been to prevent in those instances making facilities available for all the children—Caucasian, Negro, oriental, or any other race. Needed schools should be built. That was the position of the senior Senator from Oregon. The executive department of this Government ought to enforce the Supreme Court decision. It is just as simple as that.

In the pending bill we have the U.S. Government proposing to set up a corporation. We have the U.S. Government telling us through the administration, "We are going to select three members of the board of directors of this corporation. We are going to maintain great control over this corporation. This is going to be a 'mixed' corporation, in which the Federal Government will have a great continuing interest."

The amendment is therefore germane; and it is vital. This amendment, just as in connection with defense contracts, is germane to the bill and it ought to be adopted, so that the discriminations of this world are not projected by this country into outer space. By this amendment we are going to exercise the authority that Congress now possesses to set forth the other conditions and terms and regulations in the bill, and extend the exercise of authority to what the employment policies of the corporation shall be. It is as simple as that. Once the corporation is established, this might involve some difficulties. But creating the corporation on this basis at the outset is easy and practical.

We say that if we apply the Federal stamp of approval to the corporation, that stamp must also extend to its employment policies. What we are saying in the Morse-Clark amendment is: "If this corporation is established, then the corporation will be bound, under the law, to follow employment practices which do not discriminate because of race, color, creed, or national origin."

I wish to get into the proposed law a legal requirement for the elimination of discrimination based upon race, color, creed, or national origin in the employment policies of the corporation. I do so for the same reasons which governed the U.S. Supreme Court in its historic decision for freedom, when it handed down its decision against segregation in our schools, and ruled that this is the law of our land, and that the administration ought to enforce it.

Mr. CLARK. Mr. President, unless other Senators desire to speak on my amendment—and I see none rising—I shall suggest the absence of a quorum, after which I shall call up my amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The Chair assumes that the Senator from Pennsylvania is aware that the amendment has not been laid before the Senate.

Mr. CLARK. I am.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

[No. 191 Leg.]

Aiken	Gore	Monroney
Allott	Gruening	Morse
Bartlett	Hart	Morton
Beall	Hartke	Mundt
Bennett	Hickenlooper	Muskie
Boggs	Hickey	Neuberger
Bottum	Hill	Pastore
Burdick	Holland	Pearson
Bush	Hruska	Pell
Byrd, Va.	Humphrey	Prouty
Byrd, W. Va.	Jackson	Proxmire
Cannon	Javits	Randolph
Carlson	Johnston	Robertson
Carroll	Jordan, N.C.	Russell
Case	Jordan, Idaho	Saltonstall
Chavez	Keating	Scott
Church	Kefauver	Smathers
Clark	Kerr	Smith, Mass.
Cooper	Kuchel	Smith, Maine
Cotton	Lausche	Sparkman
Curtis	Long, Mo.	Stennis
Dirksen	Long, Hawaii	Talmadge
Dodd	Long, La.	Thurmond
Douglas	Magnuson	Tower
Eastland	Mansfield	Wiley
Ellender	McCarthy	Williams, N.J.
Engle	McClellan	Williams, Del.
Ervin	McGee	Yarborough
Fong	McNamara	Young, N. Dak.
Fulbright	Metcalf	Young, Ohio
Goldwater	Miller	

The PRESIDING OFFICER (Mr. HICKEY in the chair). A quorum is present.

Mr. CLARK. Mr. President, according to the folklore of the Senate under which we operate, the presence of a quorum has just now been announced. However, I doubt very much that a quorum is present; as I glance around the Chamber, it seems rather clear that a quorum is not now present. However, I shall not make a point in that connection, because I am satisfied that although one can lead horses to water, it is impossible to make them drink; and, likewise, although Senators can be required to come to the Chamber, to answer to a quorum call, they cannot be compelled to remain here. This seems to me to be just one of the very many reasons why the rules of the Senate must be changed.

Mr. President, having made that somewhat irrelevant comment, I now propose, within the next few minutes——

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

Mr. CLARK. I am happy to yield in my time.

Mr. HUMPHREY. Either in the Senator's time or in my time.

Mr. CLARK. No, Mr. President, under the rule it must be in my time.

Mr. HUMPHREY. I merely wish to say to the Senator from Pennsylvania that I know he would not want to indicate, for the RECORD, that he believes the Presiding Officer would have announced the presence of a quorum if one had not been present, under the Senate rule. The Presiding Officer is a man of great integrity, and I am sure he would not announce the presence of a quorum unless a quorum was present. I can assure the Senator from Pennsylvania that a quorum has been present under the Senate rule.

Mr. CLARK. The Senator from Minnesota is quite correct, and I intended no reflection on the integrity of the Presiding Officer or anyone else.

Mr. HUMPHREY. I knew that.

Mr. CLARK. But I repeat that the folklore of the Senate is such that the Presiding Officer always states, "A quorum is present"—regardless of whether one actually is present at the time—when the clerk tells him that 51 Senators have answered to their names. Fifty-one Senators have answered to their names; but a number of them, after answering to their names, left the Chamber. The Presiding Officer was conforming to the best traditions of the Senate when he said, "A quorum is present," when it was not.

Mr. President, I shall call up my amendment, and I hope that during the next few minutes a yea-and-nay vote will be ordered on the question of agreeing to it. I hope the amendment will be considered on its merits, although I fear that it will not be.

While a number of Senators are in the Chamber, I wish to point out why a fair employment practices amendment is both germane and necessary to this bill. I am not attempting to add to the bill an amendment which is irrelevant. This fair employment practices amendment is important for all employees, agents, contractors, and subcontractors of the giant corporation which is about to be authorized by the Senate by means of this bill.

FEPC legislation was advocated in the Democratic Party's platform of 1960, and also in the Republican Party's platform of 1960, and was requested by the Civil Rights Commission in its 1960 report.

Mr. President, I believe that adoption of this amendment, in connection with the activities of this giant corporation, many of which will not be conducted under contract at all and therefore not subject to the jurisdiction of the President's Equal Job Opportunity Committee, is most important to assure that those who work for or apply for work with the corporation are not discriminated against in such employment on the basis of race, creed, color, or national origin.

I know it will be said in a minute or two by the distinguished Senator from Montana or another Senator that this amendment will gut the bill. But I pay no heed to such statements, although I know they will be made with sincerity.

It is argued that if this amendment is adopted, the bill will have to go to conference. But, Mr. President, why not have the bill go to conference? Why should it be argued that the bill should not be amended in desirable ways regardless of whether it has to go to con-

ference? I hope the amendment will be adopted, and that then the bill will go to conference.

I suggest this bill ought to go to conference, and, when it gets there, if this amendment can be adopted, I hope the conferees will stand firm in favor of the fair employment practices provision of this bill. I hazard a guess that if they do, the House will accept it.

Mr. President, this is not a dilatory tactic. This is no gimmick. This is an earnest and sincere effort to add a provision to an important piece of legislation so that people across the world can see that when we can vote on the merits of the matter, we propose to stand by the Constitution and see to it that no one is prevented from or discriminated against in employment, first in this corporation, and then later in all forms of employment across the whole width and breadth of the United States of America, because of his race, color, creed, or national origin.

I call up my amendment.

Several Senators addressed the Chair.

Mr. CLARK. Mr. President, since several Senators have asked me to yield, I will withdraw calling up my amendment for now, if it is satisfactory to the majority leader.

I yield in my time to the Senator from Tennessee [Mr. KEFAUVER], with the understanding that I shall not lose my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KEFAUVER. I want to ask the Senator one point about the proposal that should be considered and which makes this different from most Government corporations. The President envisions this, and we all envision this, as eventually an international system in which other nations—some African nations, some Asian nations, some nations with different religions or people with different colors—will want to join. I think it is going to be hard enough to get them to negotiate with a private corporation, in any event, instead of with the Government, but is it not likely that they might not be admitted to participation because of race or religion? At least I think the matter should be debated and this debate should not be cut off by a motion to table.

Mr. CLARK. The Senator from Tennessee has made an excellent point. I am in complete agreement with him. I am glad he has made it.

I would like to point out again that the Equal Job Opportunities Committee of the President has, within the last year and a half, received 18 or 20 complaints concerning alleged employment discrimination by A.T. & T. or its subsidiaries—Southern Bell, Southwestern Bell, Western Electric, and the Chesapeake & Potomac Telephone Co. If that is not clear evidence of the great need for the amendment, I do not know what is.

I yield to the Senator from Michigan [Mr. HART] with the understanding that I shall not lose my right to the floor and that it is in my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I hope very much we will have an opportunity to vote this amendment up or down, and not have a motion to table, and not have to vote with respect to the question of germaneness, although on the latter point I am satisfied that, since the District corporation code is to be a part of the satellite bill, the amendment is wholly germane.

I was one who voted to invoke cloture. I did it because this has been my vote on other cloture motions that have been before the Senate during the brief period I have been a Member of the Senate. On one of the cloture motions, we did not have discussion or hearings that were as detailed as have occurred in this case. If I was right in my position on the earlier cloture motions, I felt I was right on this one. But I regret very much that, cloture having been applied, there is no opportunity given to vote for or against this amendment to give Senators an opportunity to be recorded. I think the bill can be improved by some of these amendments. I hope in this instance the Senate will have an opportunity to vote, on a substantial proposal, "yea" or "nay."

What is there to assume that, given this opportunity, the amendment may not be adopted by the House? Certainly we ought not mindread the House of Representatives, but let us adopt the amendment.

Mr. CLARK. I thank the Senator from Michigan.

I ask unanimous consent that I may yield to the junior Senator from Oregon [Mrs. NEUBERGER], in my time and without my losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. NEUBERGER. Mr. President, when a philanthropist makes a great and generous gift, it is altogether proper that he set some conditions on the enjoyment of the gift to insure that it is utilized in a manner most beneficial to society. As the Senate prepares today to make a grand and generous gift of our space technology to A.T. & T., it does not appear ungracious to require that the employees of the satellite corporation be employed without discrimination. Though we may dissipate the taxpayer's claim to participate in the fruits of research developed through his investment, at least we can insure that working people will gain some small advantage because of that investment.

The supposed efficiencies of A.T. & T. which have stimulated the administration to abdicate the role of government in operating the communications satellite system do not depend upon discrimination in hiring. Nowhere was it suggested during the truncated debate on the satellite bill that one race or religion has produced superior space communications scientists or technicians.

Traditionally, we have required fair employment practices in areas in which the Government plays a significant role as purchaser or financier. Surely the Government's role as sole creator of the satellite corporation, as principal benefactor, and as a major potential customer, entitles us to exact this small concession to democratic ideals.

For these reasons, I commend to the Senate the amendment proposed by the senior Senator from Oregon and the senior Senator from Pennsylvania which would prohibit the satellite corporation from discriminating against any employee because of race, creed, color, or national origin.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. If I call up my amendment, do I lose my right to the floor?

The PRESIDING OFFICER. The Senator will lose his right to the floor when he calls up his amendment.

Mr. CLARK. Then, before I call up my amendment, I would like to make my final plea to the leadership and to my friends from the South: Please do not raise a point of order and obscure the issue, and please let us vote on the merits of a significant civil rights measure for the first time in many years, a proposal which is not watered down.

My colleagues, if my plea to the leadership falls on deaf ears, please vote against the motion to table, so we can for once in the Senate of the United States vote on a clear question of civil rights.

Mr. President, I call up the amendment—that is, the amendment sponsored by the Senator from Oregon and me.

The PRESIDING OFFICER. The clerk will read the amendment.

The Chief Clerk read the amendment, as follows:

Section 305 shall be amended by adding, following line 13, page 37 of the bill, the following subsection:

"(d) In carrying out the purposes of this Act, enumerated in section 305 (a) and (b), the corporation shall not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. With respect both to its own operations and to the operations of any contractor engaged to carry out these purposes, the corporation shall take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin."

Mr. MANSFIELD. Mr. President——

The PRESIDING OFFICER. The Senator from Montana.

Mr. MANSFIELD. The able Senator from Pennsylvania [Mr. CLARK] has called up his amendment. He has called it up in spite of the informal conversations with the Parliamentarian which indicate that the amendment is not germane.

He intends further, if I understand him correctly, to appeal a ruling of the Chair should the ruling be that the amendment is not germane.

I see no virtue in such a proceeding. Even if the amendment were germane, its adoption, as the Senate knows, will not advance the cause of civil rights one inch. What it will do will be to defeat the bill, for instead of the one-barreled filibuster which we now have, we would have a two-barreled filibuster on the conference report, as the Senator from

Rhode Island [Mr. PASTORE], one of the most consistent champions of civil rights in the Nation, both as Governor of Rhode Island and as a distinguished Senator from Rhode Island, pointed out yesterday.

We would have the filibuster by the opponents of this bill and the filibuster by those who oppose civil rights measures.

I am asking the Senate to use its good judgment.

Mr. President, I move to table the amendment offered by the Senator from Pennsylvania.

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays.

Mr. CLARK. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The motion is not debatable. The question is on agreeing to the motion by the Senator from Montana [Mr. MANSFIELD] to lay on the table the amendment offered by the Senator from Pennsylvania [Mr. CLARK] for himself and the Senator from Oregon [Mr. MORSE] to the committee amendment, as amended.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Utah [Mr. MOSS], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from Arizona [Mr. HAYDEN] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON] and the Senator from Nevada [Mr. BIBLE] would each vote "yea."

On this vote, the Senator from Arizona [Mr. HAYDEN] is paired with the Senator from Utah [Mr. MOSS].

If present and voting, the Senator from Arizona would vote "yea," and the Senator from Utah would vote "nay."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Missouri [Mr. SYMINGTON].

If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Missouri would vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent.

If present and voting, the Senator from Maryland [Mr. BUTLER] would vote "yea."

On this vote the Senator from New Hampshire [Mr. MURPHY] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from Indiana would vote "nay."

The result was announced—yeas 54, nays 37, as follows:

[No. 192 Leg.]

YEAS—54

Aiken	Hickenlooper	Muskie
Allott	Hickey	Pastore
Bennett	Hill	Pearson
Boggs	Holland	Pell
Bottum	Hruska	Prouty
Bush	Jackson	Robertson
Byrd, Va.	Johnston	Russell
Byrd, W. Va.	Jordan, N.C.	Saltonstall
Cannon	Jordan, Idaho	Smathers
Carlson	Kerr	Smith, Maine
Cotton	Long, La.	Sparkman
Curtis	Mansfield	Stennis
Dirksen	McClellan	Talmadge
Eastland	McGee	Thurmond
Ellender	Metcalf	Tower
Ervin	Miller	Wiley
Fulbright	Monroney	Williams, Del.
Goldwater	Mundt	Young, N. Dak.

NAYS—37

Bartlett	Gruening	McNamara
Beall	Hart	Morse
Burdick	Hartke	Morton
Carroll	Humphrey	Neuberger
Case	Javits	Proxmire
Church	Keating	Randolph
Clark	Kefauver	Scott
Cooper	Kuchel	Smith, Mass.
Dodd	Lausche	Williams, N.J.
Douglas	Long, Mo.	Yarborough
Engle	Long, Hawaii	Young, Ohio
Fong	Magnuson	
Gore	McCarthy	

NOT VOTING—9

Anderson	Capehart	Moss
Bible	Chavez	Murphy
Butler	Hayden	Symington

So Mr. MANSFIELD's motion to lay on the table Mr. CLARK's amendment to the committee amendment, as amended, was agreed to.

Mr. WILEY subsequently said: Mr. President, I had not expected to have anything particular to say today on the subject being debated in the Senate, for the other day I placed in the RECORD a statement of my views on this matter.

However, this morning I received a telephone call: "Senator, you had better vote for the FEPC amendment."

I asked, "Who are you?"

The one making the telephone call said, "Never mind, but I am telling you that you had better vote for it."

Mr. President, during all my years in public service, only once before has someone attempted to tell me how I should vote; and then I threatened to kick that guy out of my office.

Of course, I myself, have been "kicked out" when I would not take orders; in the campaign 6 years ago my own party organization opposed me because, among other reasons, I would not take orders from them. But the people "kicked me back in".

Mr. President, I have listened to the reasons stated by the majority leader, by the acting majority leader, and by the minority leader. I have listened throughout this debate; to all who spoke and I formed my own conclusions in regard to how I would vote.

But after that telephone call came in, this morning, I recalled that Wisconsin already has an FEPC statute. However, I fully agree, for the reasons already stated by the majority leader, the acting majority leader, and the minority leader, that an amendment of the type proposed this morning has no place in this bill.

I rose at this time simply to ask unanimous consent to have the Wisconsin FEPC statute printed in the RECORD. I shall make this request for the simple reason that we in Wisconsin have long ago set forth our opinion on the subject of FEPC.

But that does not give anyone the right or the authority to try to dictate how I shall vote.

When I got through, and after I told him how I was going to vote, that fellow said, "We'll see about this."

Well, Mr. President, when I issued my statement on May 20—and I shall ask unanimous consent to have it printed in the RECORD at the conclusion of my remarks—I quoted Edmund Burke, who said, in substance, that one should listen to his constituents and should argue with them, but that when the time comes for us to decide how we will vote, it is up to us to arrive at our own convictions; and that if we fail to act on the basis of our own convictions, we are traitors to our constituents. I think one would also be a traitor to himself.

I now ask unanimous consent that the Wisconsin statute and my previous statement be printed in the RECORD following the vote on the amendment. I tried to get the attention of the Chair before.

The PRESIDING OFFICER. Without objection, it is so ordered.

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

WISCONSIN FEPC

Wisconsin has under title 13 of the Wisconsin Statutes Annotated, section 111.31, a law on fair employment. The declaration of policy of this law is set forth in three paragraphs to wit:

111.31 DECLARATION OF POLICY

(1) The practice of denying employment and other opportunities to, and discriminating against, properly qualified persons by reason of their race, creed, color, national origin, or ancestry, is likely to foment domestic strife and unrest, and substantially and adversely affect the general welfare of a State by depriving it of the fullest utilization of its capacities for production. The denial by some employers and labor unions of employment opportunities to such persons solely because of their race, creed, color, national origin, or ancestry, and discrimination against them in employment, tends to deprive the victims of the earnings which are necessary to maintain a just and decent standard of living, thereby committing grave injury to them.

(2) It is believed by many students of the problem that protection by law of the rights of all people to obtain gainful employment, and other privileges free from discrimination because of race, creed, color, national origin, or ancestry, would remove certain recognized sources of strife and unrest, and encourage the full utilization of the productive resources of the State to the benefit of the State, the family, and to all the people of the State.

(3) In the interpretation and application of this subchapter, and otherwise, it is declared to be the public policy of the State to encourage and foster to the fullest extent practicable the employment of all properly qualified persons regardless of their race, creed, color, national origin, or ancestry. All the provisions of this subchapter shall be liberally construed for the accomplishment of this purpose.

FROM THE OFFICE OF SENATOR ALEXANDER WILEY, SENIOR SENATOR, WISCONSIN

Senator ALEXANDER WILEY today announced his candidacy for reelection to the U.S. Senate.

There follows the text of his announcement:

"This is an announcement that I am a candidate for reelection to the high office of Senator of the United States.

"For 23 years, I have served you in Washington and during that time the days have been filled with great experiences. There were also tragic days—for the Nation, and for myself.

"In the decisions that I have had to make, I have followed the directive of Edmund Burke, in which he said:

"'You must pay attention to them, and give heed to and counsel with them, but at long last, when it comes time to best serve your constituency, then you must render your independent judgment, based upon your conviction, for if that fails, you do indeed betray your people.'

"This has been part of my political philosophy long before I came to the Senate.

"I also have never hestitated to seek guidance from the divine how I could best serve the interests of my country and State.

"If I am reelected, I shall follow the same practice.

"The years up ahead are full of challenges—in many respects more serious than the years that have gone. I refer to three: (1) War or peace; (2) communism and its impact on the world and on America; (3) can we preserve the political and economic integrity of this country?

"The fact that I am the only Wisconsin man who has been chairman of the Foreign Relations Committee and chairman of the Judiciary Committee; am now ranking Republican member thereof; as well as of the Senate Aeronautical and Space Sciences Committee; and also am now senior Republican of the U.S. Senate—can only add to the qualifications that a Senator should have in this challenging period.

"I am ready and willing to continue to render the service in the future such as I have given in the past. My great ambition is to continue to serve and preserve America, with its Constitution and liberties.

"ALEXANDER WILEY."

The PRESIDING OFFICER. The Chair recognizes the Senator from Illinois.

Mr. DIRKSEN. Mr. President, only for the purpose of making a little legislative history——

Mr. MANSFIELD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. DIRKSEN. Mr. President, for the moment I have the floor. I shall take only 2 minutes, if the Senate will subside that long, so I can make a statement in the interest of the legislative history on the amendment that was just tabled.

Mr. President, this morning I explored——

The PRESIDING OFFICER. The Senate will be in order. The clerks of Senators who are not actively engaged in their duties will leave the Chamber.

Mr. DIRKSEN. Mr. President, this morning I explored this subject in the light of the President's Executive order which was issued on March 6, 1961, under which there was established the President's Commission on Equal Employment Opportunity. The purposes and scope of the Committee are exceedingly broad and extend not only to Government agencies, but to those who contract with the Federal Government. I explored somewhat further to ascertain how a corporation established under the terms of the satellite bill would have to operate.

First, it would have to contract with the National Aeronautics and Space Agency. In so doing, it would come within the jurisdiction and provisions of the Commission on Equal Employment Opportunity.

Second, in order to put a satellite into orbit, it would require the kind of thrust and rocket power that could be obtained only under Government auspices, and for the second time it would come within the jurisdiction of the Commission.

Third, the larger corporations in this field are all in compliance with the provisions of the Commission on Equal Employment Opportunity, and under the circumstances I think everyone who has an interest in nondiscrimination and the protection and safeguarding of civil rights is adequately protected under existing law and under the provisions under which the Commission operates.

Mr. HOLLAND. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from Florida.

Mr. WILEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Wisconsin?

Mr. WILEY. Only for a minute or two.

Mr. HOLLAND. I yield to the Senator from Wisconsin——

Mr. WILEY. In my own time.

Mr. HOLLAND. I cannot yield in the Senator's own time. If he wishes me to yield for purposes of an insertion in the RECORD or some other courtesy, I shall be glad to yield in my time. If it is for the purpose of his making a speech, I shall have to ask the Senator to wait until he obtains the floor.

Mr. President, yesterday the distinguished Senator from Illinois [Mr. DOUGLAS]—and I am glad that he is present in the Chamber—in commenting on the cloture vote held 2 days ago, made the statement that two Senators from the Deep South who had always opposed cloture in the past—and I quote those words: "who had always opposed cloture in the past"—had voted for cloture. Since the Senator from Florida was one of the two who voted for cloture, the remarks of the Senator from Illinois would mistakenly imply that the Senator from Florida had never voted for cloture in the past but had always opposed it. I am sure that the distinguished Senator knew that such a statement was in error, and that he made it inadvertently. The Senator from Florida has voted for cloture in the past, and that fact has been mentioned several times during the course of the debate.

Mr. DOUGLAS. Mr. President, I certainly did refer to the senior and junior Senators from Florida. I would be very glad to have the Senator from Florida correct my statement if I am in error.

Mr. HOLLAND. The Senator, of course, was in error. I thought he knew he was in error after the matter was called to his attention. I was sure that he did not realize he was in error when he made the statement.

Mr. DOUGLAS. When did the Senator from Florida vote for cloture?

Mr. HOLLAND. The Senator from Florida voted in favor of cloture in 1954 in the course of the atomic energy debate in that year.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that my statement may be changed to read as follows:

The senior Senator from Florida always votes against cloture when civil rights are involved, but always votes for cloture when the question of giving Government expenditures to private corporations is concerned.

I ask unanimous consent that my statement may be so revised.

Mr. HOLLAND. Mr. President, I object. I would rather have the statement remain as it is.

The more recent statement sought to be made by the Senator from Illinois is also in error because the Senator from Florida has not always objected to cloture on all civil rights bills. It has been only those civil rights measures which are regarded as vital in the opinion of the Senator from Illinois that the Senator from Florida has opposed and with respect to which he has voted against cloture. But the Senator from Florida has for 14 years himself offered the anti-poll-tax amendment, and he was happy that this year he finally had the support of the distinguished Senator from Illinois in obtaining, for the second time on the floor of the Senate, by a large vote, the two-thirds majority required for the submission of that amendment to the States.

The Senator from Florida, along with his other southern colleagues, did not resort to filibuster in connection with the Civil Rights Commission Act or the extension of that act, or the placing in the extension of the Selective Service Act the provision for integration in the armed services. The Senator from Florida was against these measures. However in the field of civil rights he has never felt that, except as to some measures in the field of civil rights, which are so vital and which, if they were adopted, would lead in his opinion to confusion and breach of the peace in his own area, that he should oppose by filibuster or vote against cloture.

In order that the matter may be made completely clear, the Senator from Florida would like to quote from his statement which appears in the CONGRESSIONAL RECORD, volume 100, part 9, page 11940, which preceded by a few minutes the vote for cloture by the Senator from Florida on that occasion.

My statement is as follows:

Mr. HOLLAND. Mr. President, I intend to vote for the pending cloture motion, though I have no illusions as to the outcome. Along with every other Southern Senator and many others, I supported the adoption of rule 22 in its present form, in the effort to secure a more workable rule. The Senate well knows that in its provisions exempting from cloture any motion to take up an amendment of the rules, and requiring 64 affirmative votes to make cloture effective, the new rule gives greater protection than heretofore against such a measure as a compulsory FEPC law, with all its grave implica-

tions upon the established social structure of an entire region and involving, as it would, grave questions of constitutionality, bitter conflict between Federal and State laws, and probable civil disorder and strife. At the same time the new rule is more efficient than the old in that it makes subject to cloture all the parliamentary proceedings on any pending legislation, excepting only a motion to take up an amendment to the rules.

I have always regarded the new rule as a two-edged sword upon which I can and always will rely in opposing such measures as FEPC and similar vital measures which are wholly unacceptable to great regions of our Nation. At the same time I believe we have the right to use it in a proper case in enabling the Senate to come to a vote upon measures of less grave importance after they have been subjected to reasonable debate. In other words, I do not regard the present rule 22 as wholly defensive, but I regard it also as an effective offensive provision which should be used to end futile filibusters such as the pending one, which has been frankly described as such by one of the participants. Every Senator must in his own judgment decide what measures can be properly subjected to cloture and at what stage in the debate. For myself, I think that the pending measure should be subjected to cloture and that the debate has long since exceeded the limitations of reasonable argument.

The fact that this filibuster has been employed in the closing days of the second session of a Congress when many vital measures still await final action is a strong argument for the application of cloture. The farm bill, the social security bill, the tax revision bill, and others of great importance still require Senate action.

Mr. President, I digress to say that these words, without many changes, could have been applied to the situation the other day when the petition for cloture came up in the closing days of this session, which is the second session of Congress, leaving still undisposed of a farm bill, a tax revision bill, and other bills of great importance to the United States.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Vermont.

Mr. AIKEN. Will the Senator agree that the Nation might possibly survive without the farm bill?

Mr. HOLLAND. The Senator from Florida agrees that that is the case, and he will oppose the farm bill. At the same time, he does not believe that it is one of those measures which are of such vital importance to any great area of our people that it should be subjected to a filibuster, and he would not join in a filibuster against that bill.

Mr. AIKEN. It is quite apparent that the supporters of the farm legislation and the administration will have to accept full responsibility for whatever action is taken.

Mr. HOLLAND. I will let the record speak on that. The Senator from Florida opposes that bill, but he would not use the filibuster in opposing it, because he does not think it measures up in its aspects to the vital requirements of a measure which does justify Senators from a great area of the country to stand and debate, literally, until they fall.

Now, Mr. President, I conclude my 1954 statement:

Aside from that, in this critical stage of world affairs it is particularly necessary that the Senate show its capacity to function on such important matters rather than to be held in a state of frustration and futility by the marathon talking of a decided minority. Any other course would hold us up to the ridicule of our own people and of the world at large, particularly the other free peoples who look to us for leadership and example.

Mr. President, that last paragraph of my statement of 1954 is also exceedingly applicable to the situation which we confronted the other day when, as my distinguished friend from Ohio [Mr. LAUSCHE] said in his usual colorful fashion, "the Soviets are orbiting and the Senate is filibustering." I predict that that statement will go down in history as almost the equal of the statement that "Nero fiddled while Rome burned." It so clearly explains the apathy of the Senate and its unwillingness to come to a decision on an important national matter while in that same field the Soviets are exploiting their latest accomplishment. It is true—and I hope the Senator from Illinois, who has lately become converted to my point of view—and I congratulate him upon it——

Mr. DOUGLAS. Mr. President, I protest.

Mr. HOLLAND. I am sure the Senator will agree with that point of view, because I heard him agree the other day. It is my view that a filibuster is a two-edged sword which may be used either on the defensive or on the offensive. I heard the distinguished Senator from Illinois say that he was going to vote for cloture, though with some regrets.

Mr. DOUGLAS. When was this?

Mr. HOLLAND. During this debate.

Mr. DOUGLAS. No; I am sure the Senator never heard me say that.

Mr. HOLLAND. He said that he would vote for cloture.

Mr. DOUGLAS. Oh, no; the Senator never heard me say that.

Mr. HOLLAND. The Senator voted for cloture, and he never has before. He inveighed loudly and effectively on the floor of the Senate against the use of the cloture rule. Yet my distinguished friend answered with a resonant voice that he would vote—that he would vote against cloture on this matter.

Mr. DOUGLAS. The Senator has been misrepresenting my position completely. He said I voted for cloture, when, as a matter of fact, I voted against cloture.

Mr. HOLLAND. The Senator is correct. Let me correct my statement, which is that he has always voted for cloture before, and has very stoutly maintained the position that cloture should be voted. He has stood on the floor and has advocated that a simple majority should have the right to close the debate. He has in every way within his right advocated the use of cloture; yet when it comes to this particular matter the Senator from Illinois has come to my position, which is that cloture is a two-edged sword, by voting the other way.

I commend him and congratulate him upon finally seeing the light and finally coming to the position of realizing that there are two sides to the cloture question; that there are cases in which cloture should be used; and then, as his recent vote indicates, cases in which, in his judgment, cloture would be an abomination. So I think the Senator is making progress. I congratulate him upon that fact.

I call attention to the fact, as recognized by the press generally and by the Senate, that cloture could not have been obtained on the pending bill except for the support of certain Senators from the South. I want that to be made perfectly clear.

The Senator from Illinois made that statement, which appears on page 16564 of the CONGRESSIONAL RECORD of yesterday. I remind him that he did make that statement, in effect, at some length, and that this happened to be the case.

Mr. DOUGLAS. The Senator from Florida says that I understand what happened to be the case?

Mr. HOLLAND. I shall yield after a bit; I hope the Senator will abide by the rules, even though he does not agree with my statement.

Mr. DOUGLAS. I am delighted to await the opportunity to respond.

Mr. HOLLAND. The Senator from Illinois made it perfectly clear that by two affirmative southern votes for cloture and by the absence of certain Senators—and more Senators could have been absent—the South made it possible for cloture to be adopted. Apparently the Senator from Illinois thought that that was an unusual situation; something that had not occurred before. But the Senator, with all his willingness to study history and to recite it to the Senate, together with much poetry and other literary effusions, has missed the point on this subject, which is that every time cloture has been invoked in the history of the Senate, which has been five times, it was voted because southern Senators supported it. Probably the Senator from Illinois, even now, does not realize that. I see him looking at me with an air of suspicion. But the fact is that that is true. I want him, and other Senators, too, to realize that cloture has been applied to other fields, despite their feeling in these days that it is only civil rights, as conceived by them, that has become such a dominant issue that they think the whole cloture rule applies only to that field. It has been voted five times, and it could not have been voted any of those times—and I make this statement advisely—without the support of southern Senators. It is to bring that point to the attention of the distinguished Senator from Illinois that I wish at this time to read from a letter furnished me by the Library of Congress on this subject.

Mr. President, I first ask unanimous consent that the letter be printed at this point in the RECORD.

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

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D.C., August 15, 1962.

To: Hon. SPESSARD L. HOLLAND, attention Mr. Norman.

From: American Law Division.

Subject: Four instances prior to August 14, 1962, when cloture was invoked in Senate.

Following is a list of four previous instances when cloture was invoked, including

the number of southern Senators voting for invocation with specific reference to the Florida Senators:

1. Treaty of Versailles: Cloture invoked November 15, 1919 (58 CONGRESSIONAL RECORD 8555–8556); yeas 78, nays 16; 20 southern Senators voted to invoke cloture, Fletcher and Trammell among the 20.

2. World Court: Cloture invoked January 25, 1926 (67 CONGRESSIONAL RECORD 2678–2679); yeas 68, nays 26; 18 southern Senators voted to invoke cloture, Fletcher and Trammell among the 18.

3. Branch banking: Cloture invoked February 15, 1927 (68 CONGRESSIONAL RECORD 3824); 65 yeas, 18 nays; 17 southern Senators voted to invoke cloture, Fletcher voted "yea," and Trammell voted "nay."

4. Bureau of Customs and Prohibition: Cloture invoked February 28, 1927 (68 CONGRESSIONAL RECORD 4986); 55 yeas, 27 nays; 12 southern Senators voted to invoke cloture, Fletcher and Trammell among the 12.

EDWIN B. KENNERLY,
Editor, Bill Digest.

Mr. HOLLAND. Mr. President, the letter is dated August 15, 1962. It is addressed to me and was sent by the American Law Division. The subject is: "Four Instances Prior to August 14, 1962, When Cloture Was Invoked in Senate."

The first of those instances was in connection with the Treaty of Versailles. The statement by the Library of Congress reads:

Cloture invoked November 15, 1919. Yeas 78, nays 16. Twenty Southern Senators voted to invoke cloture.

If those 20 southern Senators had voted the other way, the vote would have been 58 to 36, and cloture would have failed.

I desire that not only the senior Senator from Illinois [Mr. DOUGLAS], but Senators generally, realize that at that important stage in the history of this Nation, after the futility of a long filibuster had long withheld the verdict of the Senate on that important question, the votes of 20 southern Senators—along with the votes of other Senators, and there has been no time when enough southern Senators were present that by themselves they could have brought about cloture—were indispensable and irreplaceable in voting cloture to end that long-standing, vitriolic debate on the floor of the Senate.

I am proud to say that both Senators from Florida, Senator Duncan U. Fletcher and Senator Park Trammell, were among the 20 southern Senators who voted for cloture in that instance.

Incidentally, I think Senators should know that Senator Fletcher was perhaps the most distinguished man who ever served the State of Florida in the Senate. I think they should also know that Senator Trammell was one of two men from our State who have served both as Governor and as Senator. I hope they will know that those two Floridians each served longer in the Senate than any other Senator from Florida. So I think they should be fairly representative of the thinking of the people of their State when they voted for cloture on that occasion.

According to the letter which I have placed in the RECORD, in full, the next vote for cloture was on the question of the adherence by the United States to the World Court. On that occasion, cloture was involked on January 25, 1926. There were 68 yeas and 26 nays. Eighteen southern Senators voted at that time to invoke cloture. If those 18 Senators had voted the other way, the vote would have been 50 yeas and 44 nays, which obviously would have completely prevented the adoption of cloture.

I am very happy to say that of the 18 southern Senators who voted on that occasion to invoke cloture on the question whether the United States should adhere to the World Court—which was certainly an important question—both of the distinguished Senators from my State were among those who voted for cloture. Both Senator Fletcher and Senator Trammell were among the 18 southern Senators who voted to invoke cloture.

The third issue on which this important question was raised was one of less earth-shaking importance; nevertheless, it was of importance. The question was whether branch banking should be permitted. On this question, cloture was invoked February 15, 1927. There were 65 yeas and 18 nays. Of the 65 Senators who voted "yea," 17 southern Senators voted to invoke cloture. It is quite obvious that cloture would have been defeated if the southern Senators had voted the other way.

In that instance, Senator Fletcher voted "yea"; Senator Trammell voted "nay."

The fourth instance in which cloture was invoked was on the subject of the Bureau of Customs and Prohibition. That vote took place February 28, 1927. There were 55 yeas and 27 nays, just one more than was needed to invoke cloture. On that occasion, 12 southern Senators voted to invoke cloture. I am happy to say that both Senators from Florida, Senator Fletcher and Senator Trammell, were among the 12 southern Senators who voted for cloture.

So, Mr. President, it is no accident or happenstance that southern support made possible the invoking of cloture the other day, because now it can be said, and it is a fact, that of the five instances in the history of the Senate in which that long tradition to allow unlimited debate has been breached by invoking cloture under the rule adopted in 1917—and, by the way, it was adopted under the leadership of a distinguished southern Senator, Senator Martin, of Virginia—of those five votes for cloture, not one could have been effective in closing debate but for southern support.

So I think the throwing of brickbats at the South in this field has gone far enough. I resent it, and southern people generally resent it. I am sure they want the actual facts to be reviewed again; and I hope it will not be regarded as improper for me to call the attention of the distinguished Senator from Illinois to the fact that his history has gone amiss on this matter, because instead of throwing all the blame at an area which he says has always opposed cloture, to the contrary, in the five instances when cloture was invoked, southern support made it possible, along with the votes of others, for that end to be reached.

My view on this subject is rather well known. I think cloture should not be invoked when a question is of such vital importance to a great area of the Nation that it runs to the question whether there shall be law and order or disorder; runs to the question whether people shall live cordially and amicably together; and runs to the question whether it goes so far that the law would not be observed even if it were passed; and particularly, when it runs against longstanding traditions and against the rights of the States which are affected.

Mr. President, my views on this matter have been stated sufficiently heretofore in the RECORD, I believe. However, at this time it might be well for me to state that in connection with this matter I find myself in strong accord with one of the most distinguished liberals of the Nation, Mr. Walter Lippmann, who, by means of two articles on this specific subject, has shown how strongly he feels about it. He is not the only great liberal who feels that way. One of the astounding things about this matter is the fact that persons who are so-called liberals get so obsessed with the idea that what they believe in, in connection with the field of civil rights, should be done, that they become tyrannical, if they have the power to do it, and try to defend and perpetrate things which would be tyrannical if done.

Mr. President, in 1949, Mr. Lippmann wrote a very able article on this subject. I ask unanimous consent that it be printed in full in the RECORD.

The PRESIDING OFFICER (Mr. METCALF in the chair). Is there objection?

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

Although the question before the Senate is whether to amend the rules, the issue is not one of parliamentary procedure. It is whether there shall be a profound and far-reaching constitutional change in the character of the American Government. The proposed amendment to rule XXII would enable two-thirds of the Senate to close the debate and force any measure, motion, or other matter to a vote. If the amendment is carried, the existing power of a minority of the States to stop legislation will have been abolished.

"Stripped of all mumbo-jumbo and flag waving," says the New York Times, "the issue is whether the country's highest legislative body will permit important measures to be kept from a vote through the activities of a few leather-throated, iron-legged Members who don't want democratic decision." * * *

This is an unduly scornful and superficial way to dispose of a great constitutional problem. For the real issue is whether any majority, even a two-thirds majority, shall now assume the power to override the opposition of a large minority of the States.

In the American system of government the right of democratic decision has never been identified with majority rule as such. The genius of the American system, unique I believe among the democracies of the world, is that it limits all power—including the power of the majority. Absolute power, whether in a king, a president, a legislative majority, a popular majority, is alien to the American idea of democratic decision.

The American idea of a democratic decision has always been that important minorities must not be coerced. * * *

When there is strong opposition, it is neither wise nor practical to force a decision. It is necessary and it is better to postpone the decision * * * to respect the opposition and then to accept the burden of trying to persuade it.

* * * * *

For a decision which has to be enforced against the determined opposition of large communities and regions of the country will, as Americans have long realized, almost never produce the results it is supposed to produce.

The opposition and the resistance, having been overridden, will not disappear. They will merely find some other way of avoiding, evading, obstructing, or nullifying the decision. * * *

For that reason, it is a cardinal principle of the American democracy that great decisions on issues that men regard as vital shall not be taken by vote of the majority until the consent of the minority has been obtained. Where the consent of the minority has been lacking, as for example in the case of the prohibition amendment, the democratic decision has produced hypocrisy and lawlessness.

This is the issue in the Senate. It is not whether there shall be unlimited debates. The right of unlimited debates is merely a device, rather an awkward and tiresome device * * * to prevent large and determined communities from being coerced.

The issue is whether the fundamental principle of American democratic decision—that strong minorities must be persuaded and not coerced—shall be altered radically, not by constitutional amendment but by a subtle change in the rules of the Senate.

The issue has been raised in connection with the civil rights legislation. The question is whether the vindication of these civil rights requires the sacrifice of the American limitation on a majority rule. The question is a painful one. But I believe the answer has to be that the rights of Negroes will in the end be made more secure, even if they are vindicated more slowly, if the cardinal principle—that minorities shall not be coerced by majorities—is conserved.

For if that principle is abandoned, then the great limitations on the absolutism and the tyranny of transient majorities will be gone, and the path will be much more open than it now is to the demagogic dictator who, having aroused a mob, destroys the liberties of the people. * * *

Mr. HOLLAND. Mr. President, in order to save the time of the Senate, I shall quote only certain portions of the article; and Senators can later read all of the article if they wish to do so.

Mr. Lippman wrote, in part, as follows:

In the American system of government the right of democratic decision has never been identified with majority rule as such. The genius of the American system, unique I believe among the democracies of the world, is that it limits all power—including the power of the majority. Absolute power, whether in a king, a president, a legislative majority, a popular majority, is alien to the American idea of democratic decision. The American idea of a democratic decision has always been that important minorities must not be coerced.

He also wrote:

For a decision which has to be enforced against the determined opposition of large communities and regions of the country will, as Americans have long realized, almost never produce the results it is supposed to produce.

The opposition and the resistance, having been overridden, will not disappear. They will merely find some other way of avoiding, evading, obstructing, or nullifying the decision.

For that reason—

And, Mr. President, I ask Senators to listen to the words of this distinguished historian, columnist, and philosopher, who is quoted much more often by liberal Members of the Senate than by Senators who are much more conservative—

it is a cardinal principle of the American democracy that great decisions on issues that men regard as vital shall not be taken by vote of the majority until the consent of the minority has been obtained. Where the consent of the minority has been lacking, as for example in the case of the prohibition amendment, the democratic decision has produced hypocrisy and lawlessness.

And I quote again the third part of this particularly fine article:

The issue is whether the fundamental principle of American democratic decision—that strong minorities must be persuaded and not coerced—shall be altered radically, not by constitutional amendment but by a subtle change in the rules of the Senate.

That article was written at a time when it was proposed to make a radical change in rule XXII. I hope my so-called liberal friends will listen particularly to the following part of the article:

The issue has been raised in connection with the civil rights legislation. The question is whether the vindication of these civil rights requires the sacrifice of the American limitation on a majority rule. The question is a painful one. But I believe the answer has to be that the rights of Negroes will in the end be made more secure, even if they are vindicated more slowly, if the cardinal principle—that minorities shall not be coerced by majorities—is conserved.

For if that principle is abandoned, then the great limitations on the absolutism and the tyranny of transient majorities will be gone, and the path will be much more open than it now is to the demagogic dictator who, having aroused a mob, destroys the liberties of the people.

Those quotations are from Mr. Lippmann's article in 1949.

In 1961, Mr. Lippmann wrote another valuable article—at a time when another debate in the field of civil rights was pending. Mr. President, I ask unanimous consent that excerpts from the article be printed at this point in the RECORD.

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

The problem of the Senate, on the other hand, involves questions of high constitutional principle. The crux of the question is not whether the majority should rule but what kind of majority should rule. Shall it be a simple numerical majority of the Senators present and voting? Shall it be two-thirds of all the Senators elected? Or shall it be something between the two?

Here lies the crux of the argument. What kind of majority shall have the right to end debate in the Senate, and therefore to bring about a vote? The kind of majority that has the power to do this has the power to legislate.

The recognition that there may be various kinds of majorities is deeply imbedded in the Constitution. Simple majority rule—one more than half a quorum—is by no means the general principle of the Constitution. Constitutional amendments, the expulsion of Members, the overriding of the President's veto, require two-thirds of all the Senators elected. Treaties and impeachments require two-thirds of those present and voting. Why these variations? Because these are questions which involve the whole Nation, it may be for war. The Constitution requires that such grave decisions shall have a large not merely a simple majority.

In my view it is important, indeed vital to our liberties, to preserve the principle that for great issues, for issues that affect deeply great regions or sections of the Nation, there should be required more than a simple majority. For we must never forget that majorities are not always liberal and that they may be quite tyrannical. It is, I have always thought, a short view of history to equate simple majority rule with the defense of the civil rights of Negroes. The civil rights of all Americans will be safer if within the Senate, which represents the Federal principle, we do not give absolute power to simple majorities.

Mr. HOLLAND. Mr. President, without imposing on the patience of the Senate, I wish to read one part of this article, which is just as important as the first one:

In my view it is important, indeed vital to our liberties, to preserve the principle that for great issues, for issues that affect deeply great regions or sections of the Nation, there should be required more than a simple majority. For we must never forget that majorities are not always liberal and that they may be quite tyrannical. It is, I have always thought, a short view of history to equate simple majority rule with the defense of the civil rights of Negroes. The civil rights of all Americans will be safer if within the Senate, which represents the Federal principle, we do not give absolute power to simple majorities.

Mr. President, I thought it well to elaborate to some extent on this point, because in the first place I want it to be understood that the concept that the South is against cloture on all occasions and for any kind of a bill is not correct, and it was shown not to be correct by the vote which was taken a few days ago, and it has been shown not to be correct in every instance in the Senate in which cloture has been invoked.

The pity is that some Senators—because of their tremendous interest in the important subject of civil rights, according to their own notions of what constitute civil rights—have felt that all rights of minorities should be overridden, if necessary, by a simple majority, simply to get something done in the field of civil rights on the floor of the Senate. But, Mr. President, that does not accomplish anything in the field we are discussing now, because these problems exist in the minds of the men, women, and children who live in a great area of our Nation—one larger than most nations on the earth, an area in which 50 million people reside under all conceivable contacts—some in proximity to others, and some in areas remote from others. It is not proper to consider that question apart from the long established right as now controlled by the rewritten rule XXII—namely, that so long as it is not possible to obtain the affirmative votes of two-thirds of the Members of the Senate present and

voting, a minority may not be shut off in connection with an issue as vital as this one.

Mr. President, I hope the Senate will, as a result of its cloture decision, move forward to a speedy decision on the main issue, which is whether our Nation shall take advantage of its chance to develop and to utilize one of the greatest inventions of our time, one of the great products of the genius of our independent industry and of our Nation as such, and will show, by so doing, that we are not willing to waste our time and the time of the Nation on idle talk here on the floor of the Senate, when, as my distinguished friend, the Senator from Ohio [Mr. LAUSCHE], has said—and it was true on that day—the Russians were orbiting while we were filibustering. There could not be a more eloquent summation of the supineness and futility in which these debaters—who are so good at their business, and my hat is off to every one of them—have indulged in this long, drawnout argument, in which they have participated on three occasions, and in which they have been successful twice, but now have not been successful in trying to frustrate the will of the Senate as a whole.

And, Mr. President, I point out that that was not after bringing to the floor of the Senate a measure upon which there had been no committee approval, but it was after having brought to the floor of the Senate a measure which, after long hearings, had the approval of all of the members of the 15-member Space Committee, whose business it is to familiarize themselves with this space activity of our Nation and of our independent industries, and also had the approval of 15 of the 17 members of the Commerce Committee, after long additional hearings; and also had the support of 13 of the 17 members of the Foreign Relations Committee, after additional hearings.

So, Mr. President, why are we willing to give the Nation such a spectacle of ourselves, particularly in choosing what has proved to be a time when the effort of our great adversaries in the world to attract and persuade the minds of men to their way of thinking was being made in so colorful a way, in their attempt to exploit the advantages of their peculiar efficiency in this field, although in this communications field we have an efficiency which they have never dreamed of, and never have attained, in connection with a discovery which is of such great import to men all around the earth; and yet at that very time we were squabbling among ourselves over the question of whether the bill should be passed.

Mr. President, I hope that this precedent of voting cloture in such a manner will be followed if necessary when there is a matter which addresses itself to the conscience of the Nation as a whole as being a matter of the gravest importance to our Nation, and when we may move ahead only in that way.

I hope these remarks will also clearly show what has been the record of the South in this field.

Mr. DOUGLAS. Mr. President, I ask for the floor on a matter of personal privilege. The Senator from Florida began with an attack on the Senator from Illinois and then continued with a lengthy speech of self-justification. I therefore ask that I may have the floor on a matter of personal privilege.

The PRESIDING OFFICER. Is the Senator from Illinois asking for the floor outside of the regular hour that would be permitted under the rule?

Mr. DOUGLAS. I thank the Chair——

The PRESIDING OFFICER. It is the opinion of the Presiding Officer, after consultation with the parliamentarian, that the Senator from Illinois is entitled to the floor outside the time, with the admonition that any remarks must be germane solely to the point of personal privilege.

Mr. KUCHEL. Mr. President, may I ask a parliamentary inquiry?

The PRESIDING OFFICER. If the Senator from Illinois will yield for that purpose.

Mr. DOUGLAS. Mr. President, I desire to be very cooperative, but since I have been attacked by the Senator from Florida, I would appreciate it if I might reply without having foot faults called against me, especially since the Presiding Officer has ruled that I am entitled to the floor outside of the time assigned on the bill. I hope my good friend from California, therefore, will desist from raising any point of order. If later he wishes to make the point, he may do so.

The Senator from Florida began with a personal attack on the Senator from Illinois, and then continued with a lengthy speech of self-justification.

First, let me clarify my attitude toward the Senator from Florida. I have never said he was the worst Senator in the U.S. Senate. Quite the contrary—I have been careful to say there are many Senators who, in my judgment, were worse Senators than the Senator from Florida.

May I also say that I have never said the Senator from Florida was the most obdurate Senator from south of the Mason-Dixon line in the matter of civil rights. I recognize the fact that upon occasion the Senator from Florida has brought forth an innocuous measure. This was the case with the repeal of the poll tax by constitutional amendment. He well knew this had been refused by the House in a previous session, and that it was being condemned to a state of innocuous desuetude in the present session, and that in all probability it would not be submitted to the States, or, if submitted to the States, would never be ratified by the necessary three-quarters of the State legislatures.

What the argument of the Senator from Florida seems to boil down to is that in the past—back in the dim past—the Senators from the South have upon occasion voted for cloture on other than civil rights matters, and that every cloture that has been put into effect has been put into effect in the past with the cooperation of the southern Senators.

I have not had occasion to examine the RECORD as closely as has my good friend from Florida, but if we accept his statement as true, they boil down to the point, first, that cloture in the Senate cannot be obtained without the consent of the southern Senators; second, that the southern Senators and their allies will never permit cloture under present rules when any vital question of civil rights comes up. That is the whole gist of the situation, and I think the Senator from Florida has accurately described it.

The Senator from Florida has referred to some quotations from a friend of mine, Mr. Walter Lippmann. He never made quite clear which were Mr. Lippmann's statements and which were the statements of the Senator from Florida, but he at least quoted them with approval. I think he quoted Mr. Lippmann to the effect, and with approval, that "important minorities must not be coerced." I only wish the Senator from Florida really believed in that, because that really means important minorities should not be coerced, but he permits the coercion of millions of colored citizens in the South who are not permitted to vote, who do not get a fair share of employment, who are denied equal opportunity in employment, whose children are denied equal opportunity for unsegregated education. There was not a word about that. No; it is only the ruling white oligarchy of the South of whom he makes mention. It reminds me of what Thomas Paine said about Edmund Burke—"He pities the plumage, but forgets the dying bird." This is precisely the attitude of the Senator from Florida.

It is true that not only have I advocated ultimate majority rule in the Senate, after full and extended debate, and have been one of the sponsors of the so-called change in rule XXII, but it is also true that, in connection with the atomic energy bill of 1954, I voted for cloture. That is true. I did so at that time in the belief that if one applied cloture across the board, to those with whom one agreed as well as those with whom one did not agree, possibly the sincerity of our position would appeal to our southern friends and to their allies, and that we could get a possible resolution of this issue.

I am sorry that in the 8 years that have passed my faith in human nature has been disabused. Time after time I have seen cloture refused by the southerners and their northern allies on both sides of the aisle, but particularly on the other side of the aisle, so that until today we are unable to get a vote on civil rights measures.

Though I kept aloof from the battle in its early stages, both because I had not made up my mind as to where the equities lay and because I was busy on the tax bill and on the trade expansion bill, nevertheless, as I listened to the debate, and as I tried to ask questions, and the only ones who answered them were the opponents of the bill, I came to the conclusion, first, that more time was needed to discuss the bill and, second, that there were grave faults with the bill with which I could not reconcile my conscience.

I have felt, as I have said twice before, that when in the Senate the rules have been used against those who believe in civil rights and against what we at least regard as progressive legislation,

I was not then going to strip the Senator from Oregon and the two Senators from Tennessee and their associates of the weapons that they now have under the rules. I was not going to disarm them of their limited weapons when they came into the Senate with the opposition heavily loaded with weapons, controlling the machinery of the Democratic Party in the Senate, and getting the virtually unanimous support of the Republican Party.

Mr. President, if you charge me with inconsistency, I will have to say that the harsh experiences of the Senate have taught me that in this world, and in the Senate, one must preserve and utilize weapons of the flesh if one is to defend the freedom of the spirit.

So I make no apology for my vote against cloture a few days ago. I am ready to go before the people of my State, and before the people of the country, and defend that vote.

I want to say that I am eternally grateful to this small band of Senators who, against the pressures of other Senators, against the denunciations of the Democrat leadership, both the leader and the whip, and against the solid opposition of those on the other side of the aisle, stood firm and steadfast. While I was not one of them, as I watched the attack go on, I felt I could not disarm them. Now I feel spiritually akin to them and have resolved to walk with them the rest of the way and to do so with pride and fellowship.

Mr. President we get somewhat hardened by life. Life teaches us many tough lessons. I have always believed, throughout my life, in peace and good will, and in the ability of good will to melt opposition, and to dissolve, not rid. I still hope that good will is a force in the world but I have become sadly weakened in that belief by the years I have spent in the Senate.

I shall try to be gentlemanly. I shall try to be courteous. I shall try not to take any unfair advantage of others, but I say that I will not strip from minorities the protection now afforded by the rules of the Senate, though I shall press on to change the rules so that after full and free debate—and I emphasize those words—a majority can decide.

That is what the Senator from Oregon has been contending for. That is what all other Senators in his group have been contending for. That is all I am contending for. That is the goal for which we have been contending.

In our proposed changes in rule XXII, we would provide that cloture could only be effective 15 legislative days after the petition had been filed, which would provide at least 2½ weeks of full debate. We do not propose to change the provision that the opponents of cloture could oppose both a motion to consider a bill and a motion to pass a bill, so, if they wished to, they could take at least 5 weeks. Of course, we would never file petitions on the first day of debate, but would wait for some time, so in all, probably, there would be permitted from 6 to 8 weeks of debate.

I can say, as one humble member of the civil rights bloc, once cloture were voted we would never move to shut off discussion by a tabling motion. We would permit Senators to talk for the full hour each would be allotted. I want to pledge myself to that.

I must say that I was shocked by the attitude of the majority in not discussing the amendments offered by the two Senators from Tennessee and by the Senator from Oregon. Some of those amendments, I think, were good amendments. I could not make up my mind as to all of them, but I wanted to hear a discussion on them, so that we could all know. But the representative of the majority would get up immediately and move to table the amendment, without offering any defense as to why he was moving to table the amendment. The guillotine would operate. The bipartisan combination which rules this Senate would then swing into action. All the Republicans on the other side would vote to table. The leadership followers on this side of the aisle would vote to table. The juggernaut would roll on.

Mr. PASTORE. Mr. President, will the Senator yield at that point for just a moment?

Mr. DOUGLAS. I am glad to yield.

Mr. PASTORE. As a matter of fact, we had a discussion with the distinguished Senator from Pennsylvania [Mr. CLARK]. We had an understanding that we would allow all Senators to speak all they wished before the motion would be made.

Mr. DOUGLAS. On that motion, yes.

Mr. PASTORE. Yes.

Mr. DOUGLAS. I am referring to the procedures followed in the past 2 days. Then the guillotine fell immediately.

It reminded me of Dickens' "Tale of Two Cities," when Sydney Carton was being put in the tumbrel and led to execution. He was brought out to the guillotine, where the women were sitting beside the guillotine, in the Place de la Concorde—so inappropriately named—and were knitting. As one person after another was led out, and had his head chopped off, the women would count, "one," "two," "three." When it came to the girl who preceded Sydney Carton, they counted "22." Then Carton's turn came, and they counted, "23."

I suppose that is how the expression "23" crept into slang idiom.

I have watched the galleries of the Senate, and I have watched the Members of the Senate, smiling with approval—not knitting, but giving approval—as the guillotine fell, as amendment after amendment of the Senator from Oregon and the Senators from Tennessee were guillotined.

I want to tell my friends that if we ever change rule XXII, so far as I am concerned I shall use what little influence I have to see to it that not only the Senators have an opportunity to state their amendments, but that reasoned replies will be made with respect to those amendments.

Mr. PASTORE. Mr. President, on that very point will the Senator yield again?

Mr. DOUGLAS. I am glad to yield.

Mr. PASTORE. The Senator addressed a letter to me, which was a complicated letter. I have an answer. I am going to put it in the RECORD.

Mr. DOUGLAS. That is very nice.

Mr. PASTORE. As the Senator well knows, under the rule relating to cloture, a Member of this body has 1 hour. The Senator in charge of the bill has 1 hour, like every other Senator. Nearly 200 amendments have been submitted. How in the world can I answer every Senator on this floor, without remaining mute after replying with respect to two or three amendments?

Mr. DOUGLAS. May I say that I have deep respect for the Senator from Rhode Island.

Mr. PASTORE. The Senator is making an allegation. We will now answer.

Mr. DOUGLAS. The Senator from Rhode Island was not the only sponsor of the bill. He had the very able Senator from Oklahoma, the uncrowned king of the Senate, on his side. [Laughter.] The Senator from Oklahoma could have spoken up. There were other Senators who could have spoken up. The leader and the whip could have spoken up. They threw upon the Senator from Rhode Island the disagreeable task of using the guillotine, which is so contrary to his considerate nature.

Mr. PASTORE. Please do not make me the object. I left my knitting back home. [Laughter.]

We have not used the guillotine on anybody.

Mr. DOUGLAS. The guillotine was used no less than 15 times.

Mr. PASTORE. We moved to table amendments, exactly as has been done time and time again. Guillotine is a nice word to be using around the Senate, but I wish to say to the Senator from Illinois, as to the application of the guillotine, when I reach even half his age I hope that I may look as well as he does now.

Mr. DOUGLAS. I thank the Senator very much. If the Senator will keep a clear conscience, he will.

Mr. MORSE. Mr. President, will the Senator yield for half a second?

Mr. DOUGLAS. I yield.

Mr. MORSE. There was not anything to stop any one of the opponents of the bill from replying to us for a reasonable period from the hour allocated to each Senator, was there?

Mr. DOUGLAS. That is the point.

Mr. MORSE. We are going to close this debate, as the record at the Parliamentarian's desk will show, with many of the proponents of the bill having used practically none of their time.

Mr. DOUGLAS. With the exception of the very able speech by the senior Senator from New Hampshire [Mr. CORTON] no one rose on that side of the aisle, other than, I think, once or twice the Senators from New York for brief interjections.

I congratulate the senior Senator from New Hampshire for his readiness to air his views. He spoke in a reasonable and sensible fashion.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. DOUGLAS. Let me finish my paragraph, and then I will yield.

Mr. PASTORE. Very well. That does not involve me.

Mr. DOUGLAS. I again wish to congratulate the senior Senator from New Hampshire [Mr. COTTON]. He made a reasoned statement in behalf of the bill. I went over to listen to him. I congratulated him, at the conclusion of his remarks. I wish that the other defenders of the bill had followed his example.

I now yield to the Senator from Rhode Island.

Mr. PASTORE. I am the Senator who reported the bill. I have been in charge of the bill. I came on the Senate floor and explained the bill. I have been in this Chamber day in and day out, with the exception of the short time when I was at Bethesda, because of a little illness. I have been on this floor. I have answered questions.

No Senator asked me any questions I did not answer. When I came on this floor there was only a coterie of people opposed to the bill. I made an opening statement. I gave an explanation of every section in the bill. I was in the Chamber, ready to answer questions. No Senator asked me questions.

Now Senators come in to say that no one ever explained the bill. Of course it was explained. It was explained when the bill was made the unfinished business, when it was made the pending business. I made an opening statement on that day. I explained the bill, and I put into the RECORD an explanation of every section.

No Senator was here to ask me questions. The Senator from Illinois was not in the Chamber then. Now the Senator comes in and says that the proponents have said nothing about this bill. That simply is not so.

Mr. DOUGLAS. Mr. President——

Mr. PASTORE. That simply is not so.

Mr. DOUGLAS. The Senator from Rhode Island has alluded to some private correspondence I had with him. Therefore, I think it is appropriate to mention the fact that when the junior Senator from Tennessee had the floor about 2 weeks ago I addressed a series of technical questions to him, which he answered.

I was not certain that the Senator had answered the questions correctly. Therefore, I sent the text of my questions and the replies by the junior Senator from Tennessee to approximately 30 Members of the Senate, including the ranking Republicans and Democrats on the Committee on Interstate and Foreign Commerce, which was the committee which had dealt with the bill. I asked them if they would reply to these issues in order that I might form a clearer judgment of the matter. I also said that I was concerned about who would actually control the corporation which was to be set up.

I had a reply from one Senator, the great Senator from Texas, who went into the question with great care. He took hours, apparently, to reply. I shall be glad to make our correspondence a part of the RECORD. He corrected one or two statements which the junior Senator from Tennessee had made. He made a most valuable contribution.

Mr. President, I ask unanimous consent that my letter and the list of Senators to whom I addressed the letter, and the reply made by the Senator from Texas [Mr. YARBOROUGH], who is in the Chamber now, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? Without objection the material will be printed in the RECORD. (See exhibit 1.)

Mr. PASTORE. Mr. President, will the Senator allow me to add, after that, the letter he sent to me, together with the answer I make?

Mr. DOUGLAS. When did the Senator reply?

Mr. PASTORE. I did not reply. I am going to put it in the RECORD.

Mr. DOUGLAS. Yes; after the debate is over.

Mr. PASTORE. What does the Senator mean by saying "after the debate is over"?

Mr. DOUGLAS. We know what will happen.

Mr. PASTORE. The Senator sent me a letter the latter part of last week. Specifically, it was dated July 31, and received in my office on August 2. I have been in the hospital. I came back here Tuesday. Cloture was applied. When could I do it?

Mr. DOUGLAS. Mr. President, I will be delighted——

Mr. PASTORE. When could I do it?

Mr. DOUGLAS. I will be delighted to have the projected reply of the Senator from Rhode Island put into the RECORD. I would be just delighted to have it.

The PRESIDING OFFICER. The Senator from Illinois is admonished that he is not speaking on the subject with respect to which he obtained unanimous consent, that is, a point of personal privilege, in order to reply to the Senator from Florida.

Mr. KERR. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERR. The Senator from Illinois did not procure the floor by unanimous consent. He procured it on a ruling of the Chair. I agree with the Chair that the Senator is not speaking consistently with the request that he made and the ruling given.

The PRESIDING OFFICER. The Chair will say to the Senator from Oklahoma that it is not the ruling of the Chair that the Senator from Illinois or any other Senator may speak on his own time. The Chair treated it as a unanimous-consent request, and if a point of order had been made, it would have been submitted to the Senate. The Chair is not prepared to rule on whether or not a question of personal privilege can be raised outside the cloture rule.

The Chair feels that under the provisions of rule XIX any Senator is not without recourse even if a question is raised and the cloture rule is applied. So the Chair treated the request of the Senator from Illinois as a unanimous-consent request, and no objection was heard.

The Chair is grateful to the Senator from Oklahoma for giving the present Presiding Officer an opportunity to clarify that position. No ruling has been made on the question.

Mr. KERR. Mr. President, I say in deepest respect for the Presiding Officer that I sat here when the Senator from Illinois made his request. I heard no evidence whatever that it was a unanimous-consent request. This is the first intimation that the Senator from Oklahoma has had of such a request. He feels that the Chair is perfectly capable of making a ruling. He is perfectly capable of presiding. He is perfectly capable of determining whether or not the Senator from Illinois is speaking on a point of privilege and whether he is doing so either by unanimous consent or a ruling of the Chair.

Mr. DOUGLAS. Mr. President, since I am involved, may I submit a hypothetical question?

Mr. MORSE. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Illinois may do so.

Mr. MORSE. Mr. President, I raise a point of order.

Mr. DOUGLAS. I wish to comply with the ruling of the Chair. I would like to submit a hypothetical question so I may know how to adjust myself.

The PRESIDING OFFICER. The Senator may proceed in the time of the Senator from Illinois.

Mr. DOUGLAS. Has it now been decided that I am not speaking on the point of personal privilege?

The PRESIDING OFFICER. Thus far the Senator from Illinois has not been charged with any time under the cloture rule, because it was the impression of the Chair that the Senator was answering the Senator from Florida under the unanimous-consent request.

Mr. DOUGLAS. Mr. President, has any motion been made to strike my remarks from the RECORD?

The PRESIDING OFFICER. No. The Chair interrupted the Senator from Illinois because there had been an admonition that he must speak only on the subject of personal privilege.

Mr. DOUGLAS. Mr. President, I would like to obtain a ruling on that point.

Mr. MORSE. Mr. President, will the Senator yield? I suggest that he is now on his own time.

Mr. DOUGLAS. Suppose I should discuss the recent vote on the Morse-Clark amendment, because the Senator from Florida did so: Would that be regarded as a reply on a matter of personal privilege or a speech on the bill?

The PRESIDING OFFICER. The Chair is not prepared to answer any general statement such as that. The Senator's time has not yet been charged, but it was the impression of the Presiding Officer that the Senator from Illinois was embarking into areas that were related to the bill that is before the Senate rather than to the point of personal privilege that was raised.

Mr. DOUGLAS. Mr. President, may I ask how much time I have remaining on the bill?

The PRESIDING OFFICER. The Senator has consumed 28 minutes.

The Senator has 32 minutes remaining.

Mr. DOUGLAS. Mr. President, in order to remove any possibility of doubt in the matter, I abandon my request for personal privilege and am willing to speak on the bill.

Mr. MORSE. Mr. President, the Senator from Oregon wishes to raise a point of order.

Mr. DOUGLAS. I hope that this time will not be charged to me.

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Oregon?

Mr. DOUGLAS. I yield, with the understanding it is not charged to my time.

The PRESIDING OFFICER. The Senator still has time under what the Chair recognized as a unanimous-consent request. Does the Senator yield to the Senator from Oregon for a point of parliamentary inquiry?

Mr. DOUGLAS. Would this be under the unlimited time granted to me as a matter of personal privilege?

The PRESIDING OFFICER. Does the Senator yield the floor?

Mr. MORSE. Mr. President, the Chair is in error. I raise a point of order in regard to the position that the Chair has taken. We cannot be presided over and be prevented from raising a point of order against wrong rulings of the Chair. No Presiding Officer can sit in the chair and take our rights away and charge us with time when we raise a point of order. I wish to raise a point of order.

The PRESIDING OFFICER. The Senator has not been charged with time. No Senator has been charged with time during the course of the debate. The Senator from Illinois has the floor.

Mr. DOUGLAS. Mr. President, I would like to proceed.

The PRESIDING OFFICER. The Senator from Illinois has asked for the floor in his own right, the time to be counted under the 32 minutes remaining to him.

Mr. DOUGLAS. Mr. President, I should like to proceed.

Mr. MORSE. Mr. President, I ask the Senator to yield 1 minute of his time to me.

Mr. DOUGLAS. Mr. President, if the Chair thinks at any time that I am not speaking on the point of personal privilege, I hope the Chair will call me to account and I will start to speak on the remainder of the hour that has been assigned to me. But please permit me to go ahead, if I may.

Mr. FULBRIGHT. Mr. President, is the Senator proceeding under his own time or not?

The PRESIDING OFFICER. It was the impression of the Chair that the Senator from Illinois was now asking to proceed under the time remaining to him on the bill. There is nothing that the Chair can do to prevent the Senator from saying anything he chooses in the 32 minutes remaining to him.

Mr. DOUGLAS. Mr. President, I wish to withdraw my request that I speak as a matter of personal privilege. I simply ask to be recognized on the basis of the 32 minutes remaining.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. HOLLAND. Mr. President, will the Senator yield to me?

Mr. DOUGLAS. No, I will not yield on my own time. From now on I have to yield on my own time.

Mr. MORSE. Mr. President, will the Senator yield 1 minute of his time to me?

Mr. DOUGLAS. No, I cannot do that.

Mr. PASTORE. He cannot do so without unanimous consent.

Mr. DOUGLAS. Mr. President, having refused the Senator from Florida, I cannot grant the request of the Senator from Oregon.

The PRESIDING OFFICER. The Senator cannot yield without obtaining unanimous consent except for a question.

Mr. DOUGLAS. I am trying to comply with the rules of the Senate and to be more than obliging to everyone.

Mr. MORSE. The rules do not permit the setting up of a dictatorship.

The PRESIDING OFFICER. The Senate will be in order.

Mr. PASTORE. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DOUGLAS. I hope I do not get into a quarrel with my friends here.

Mr. President, both the vote on cloture and the vote on the fair employment practices amendment were extremely interesting. They indicate the basic political forces in the Senate, although I do not think they represent the basic political forces in the country. I have previously analyzed the vote on the cloture, and correctly, I think, pointed out that that was a composite of four forces, including an almost solid group of Republicans voting for cloture—34 out of 36 Senators, except the Senator from Arizona [Mr. GOLDWATER] and the Senator from Texas [Mr. TOWER]. It was also composed of the leadership faithfuls. It was also composed of 18 of the 24 southern Senators plus a group of 5 Senators who believe in doing good for evil.

The last vote on civil rights is extremely interesting. I have tried to get an accurate rundown on it but I have had some difficulty in compiling it because some Senator came to the desk and whispered their reply instead of stating it openly. I might have misunderstood their whispers. As I understand it, the vote was 54 against fair employment practices and 37 for. This was the payoff vote. First, let me consider the other side of the aisle. If I am in error I wish to be corrected. My record shows that there were the following Republican Senators who voted for fair employment practices and against tabling: BEALL, CASE, COOPER, FONG, JAVITS, KEATING, KUCHEL, MORTON——

Mr. KEFAUVER. Yes.

Mr. DOUGLAS. And SCOTT. This adds up to nine. My record shows that there were at least three Republicans absent. Of the 36, therefore, the Republican vote was 24 to 9 against the civil rights amendment or nearly 3 to 1 despite the pledge in the Republican Party platform that the Republican Party would do everything it could to further fair employment practices and would do so by legislation.

Mr. KEFAUVER. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOUGLAS. I wish to commend the nine Republican Senators who voted in behalf of their party platform. I think their names should be on the roll of honor. I regard them as the fair flowers of their party. I hope that in the course of time they may be able to convert their erring brethren, or cross the aisle and join us.

I should also like to pay tribute to the two great Senators from Tennessee, a border State, and probably more southern than it is northern. They had the courage to vote against tabling and to vote for fair employment practices.

I will also include in the list the great senior Senator from Texas [Mr. YARBOROUGH]. I think these men took political risks which are tremendous in nature. They deserve not only praise, but also the active support of the people of this country. I would remind the Senate that of the 30 Democrats voting against civil rights, 21 came from the South and border States, including Oklahoma as a border State. The leadership was only able to win this measure by bringing into their camp nine northern and western Democrats who chose to disregard the pledges in their platform and to follow the leadership instead. They were few in number but they turned the tide. I will make no comment on their motives or on their character, except to say that the keeper of the books both in heaven and on earth will note the votes. I am proud that 25 northern or western Democrats voted for civil rights and that they formed approximately three-fourths of the northern and western Democrats who voted.

What happened in this vote has been going on in the Senate for a long time. It is an alliance between the overwhelming proportion of southern Democrats and the overwhelming proportion of northern and western Republicans, with a sprinkling of Democrats either from the southwest or if those who go along with the leadership, which has made this and other implicit agreements with the Republican leadership.

This is the bipartisan coalition or unholy alliance which dominates the Senate. It is the force which defeated health care for the aged, when 20 of the 24 Senators from the South voted against the President's program and joined with the Republicans to defeat that measure. It is well to recognize this simple fact. We do not have two political parties.

We have four political parties. We have the great mass of northern and western Democrats who are committed to civil rights and a progressive policy.

We also have the great mass of southern Democrats, excellent people individually, including my good friend from Florida—he is very kind individually—who are committed, with a few honorable exceptions such as the great Senators who voted with us today, to opposing

civil rights and to opposing what we at least regard as progressive legislation.

Then on the Republican side we have the overwhelming mass of Republicans who vote with the conservative southern Democrats, at least three-fourths and possibly four-fifths of them on every rollcall.

Finally we have the small but gallant band of noble Republicans who try, ineffectually, to moderate the principles of their party and who oppose going back to the days of U. S. Grant.

That is the party lineup. The people of the country might as well know it, and we might just as well decide on which side we will be. That is the issue. No personal animus is involved in these matters. These are simply the facts.

We Democrats of the North and of the West, who fight for what we regard as progressive measures, also represent the great mass of the population of the country. The men who stand against us represent either States in which a large proportion of the population is barred from voting—the black population—and in five States the poor whites as well, because of the poll tax, or represent the small States with small populations. Those from the big industrial States, which have had some experience with this situation, stand relatively united in behalf of the progressive platform of our party. We do not count for much in the Senate. We do not have seniority. Almost none of our Members holds a chairmanship.

The organization of our party in this body is loaded against us. The personnel of the staff is not politically friendly to us. I am sorry to say that our senatorial party is loaded against us. We are in a sense pariahs. However, when election time comes around, they want our help, because they know that the Democratic Party cannot elect a President without the great industrial States. And if we cannot carry the industrial States, we lose the Senate and the southerners will not be chairmen of the committees. Then the national party comes around and asks for our help, and they put clauses in the platform pledging themselves to progressive steps such as civil rights. The bipartisan oligarchy will, however, sit back and say, "Oh, yes, that is only a party pledge. Wait until we get them in the Senate. Then we will cut their throats."

We have just seen another illustration of this. For despite the pledges of both parties the majority has turned down fair employment practices. I think it is about time that we shed this hypocrisy and got down to the real issues and real facts. I make an appeal to the noble Republicans on the other side of the aisle to join with us in as many of these measures as possible. I make an appeal to the Democrats of the North and the West to get a leadership which will stand for these principles, not merely when we adopt a platform at convention time, not merely in the months preceding a presidential election, but also when the real test comes, on the floor of the Senate and on the floor of the House.

The American people are not fools. They are not going to be deceived by this present sham battle between the basically united leadership on both sides of the aisle. They see through the unholy alliance. The press does not always make it clear, but there are many very honest reporters and many very honest newspapers who do make it clear.

This will be the issue in the coming years. It is the basic issue inside our party. On which side do we stand? It is also the issue inside the party on the other side of the aisle. I hope this discussion may have served to increase realism in this situation.

In conclusion, let me say that I have no animus against anyone. One can differ on issues and yet respect opponents as individuals. I shall try not only to be courteous but friendly and to go out of my way to be obliging. I shall take many steps in conciliation. I shall give up many rights and privileges, but I will not disarm myself in a world of force; and, so far as I am concerned, I will not permit others to be disarmed if I can help it.

Mr. President, I yield the floor.

EXHIBIT 1

JULY 31, 1962.

Hon. RALPH YARBOROUGH,
U.S. Senate, Washington, D.C.

DEAR RALPH: I am taking the liberty of enclosing some tearsheets from the CONGRESSIONAL RECORD for yesterday in which I asked a series of technical questions of Senator GORE relative to the space communications bill. If you have leisure, I would appreciate it if you would be willing to read my questions and his answers.

I have not fully made up my mind on this matter but I believe there are fundamental issues which need to be cleared up, and it was with that purpose that I addressed these questions to Senator GORE. It is my belief that they are of sufficient importance that the proponents and opponents of the bill should seek to answer them either in speeches on the floor or in response to questions addressed to them.

I hope that the members of the committee and the leadership in charge of the bill, which I take it is bipartisan in nature, will be ready to discuss these matters, and it is my hope that this be done. Just as I have asked these questions of Senator GORE, one of the leading opponents of the bill, it is my intention to ask them of the sponsors of the bill so that we may find out what the agreed facts are and what the points of difference may be.

I think we can make the discussion of this bill a very helpful and educational one and I am quite confident that this is your purpose as well as mine.

With all best wishes.

Faithfully yours,

PAUL H. DOUGLAS.

LIST OF SENATORS AND NEWSPAPERS TO WHOM QUESTIONS WERE SENT

REPUBLICANS

1. Senator KENNETH KEATING, July 31, 1962.
2. Senator HUGH SCOTT, July 31, 1962.
3. Senator THRUSTON MORTON, July 31, 1962.
4. Senator CLIFFORD CASE, July 31, 1962.
5. Senator NORRIS COTTON, July 31, 1962.
6. Senator JOHN MARSHALL BUTLER, July 31, 1962.
7. Senator EVERETT M. DIRKSEN, July 31, 1962.

DEMOCRATS

1. Senator HUBERT HUMPHREY, July 31, 1962.
2. Senator GALE W. MCGEE, July 31, 1962.
3. Senator VANCE HARTKE, July 31, 1962.
4. Senator CLAIR ENGLE, July 31, 1962.
5. Senator STROM THURMOND, July 31, 1962.
6. Senator GEORGE SMATHERS, July 31, 1962.
7. Senator E. L. BARTLETT, July 31, 1962.
8. Senator RALPH YARBOROUGH, July 31, 1962.
9. Senator FRANK J. LAUSCHE, July 31, 1962.
10. Senator WAYNE MORSE, August 2, 1962.
11. Senator ESTES KEFAUVER, August 2, 1962.
12. Senator JOHN O. PASTORE, July 31, 1962.
13. Senator WARREN G. MAGNUSON, July 31, 1962.
14. Senator A. S. MIKE MONRONEY, July 31, 1962.
15. Senator MIKE MANSFIELD, July 31, 1962.
16. Senator WILLIAM PROXMIRE, August 1, 1962.
17. Senator PHILIP A. HART, July 31, 1962.

NEWSPAPERS

1. Chicago Sun-Times, July 31, 1962 (two letters).
2. St. Louis Post-Dispatch, July 31, 1962.
3. New York Times, July 31, 1962.
4. Chicago Daily News, July 31, 1962.
5. Mr. Marquis Childs, July 31, 1962.
6. The Washington Post, July 31, 1962.
7. The Washington Star, Aug. 1, 1962.
8. Illinois State Register, July 31, 1962.

WASHINGTON, D.C.,
August 10, 1962.

HON. PAUL H. DOUGLAS,
Senate Office Building,
Washington, D.C.

DEAR PAUL: Thank you for your thoughtful letter concerning Senate debate on the communications satellite bill. I, too, feel the debate on this bill should seek to clarify and explain this technical and most complex development in international communications, not obfuscate the important issues at stake here.

I have reviewed your colloquy with Senator GORE on the communications satellite bill and am submitting summary answers to your questions, which I hope will be helpful. I compliment you on your usual dispassionate and careful examination of the pros and cons of the satellite legislation. I wish that every person concerned were as meticulous and conscientious a student of this legislation as you have been.

Sincerely yours,

RALPH W. YARBOROUGH.

P.S.—The attached questions and answers were prepared by my staff and other staffs under my direction. These are composite answers, for brevity. Full explanations would require many pages.

R.W.Y.

Question. Are there two rival communications satellite systems?

Answer. Yes, there is the low-orbit system in which the satellites orbit between 3,000 and 5,000 miles. Examples of such a system are the NASA Relay Project and A.T. & T.'s Telstar; the other system is a high-orbit synchronous satellite system in which the satellites follow a synchronized orbit 22,300 miles out in space. NASA's project Syncom is investigating the research and development of such a high-orbit satellite system. All three systems are in the research stage of development and require a great deal of study before we can settle upon one system as the best.

Question. How many satellites would be needed to permit full coverage of the world with a low-orbit system?

Answer. At the altitude at which Telstar is orbiting the earth 40 randomly placed satellites would be required; a high-orbit system would require 19 randomly placed satellites; if it were possible to place the satellites

precisely in controlled orbit at 22,300 miles only 3 satellites would be needed.

Question. How much has been spent by NASA and the Department of Defense on communication satellites?

Answer. The direct expenditures of NASA and the Department of Defense for communications satellites will total $471 million through fiscal 1963.

Question. How much of this sum was spent by NASA and how much by the Department of Defense?

Answer. Since the Advent communications satellite system has been transferred to the Air Force from the Army at considerable loss, and NASA has not spent in fiscal 1962 all the money authorized for communication satellites, it is impossible to give any firm estimates of how much has been spent by these two agencies on communication satellites.

Question. What is the direct cost of Telstar to A.T. & T.?

Answer. Mr. James E. Dingman, executive vice president for A.T. & T. testified that A.T. & T. has already spent over $25 million on both the ground station at Andover, Maine, and for research and development of the Telstar satellite. The $50 million figure is the estimated total cost of the Telstar experiment. Based on the $25 million figure, the Government expenditures for communication satellites are about 19 times as great as those at A.T. & T.

Question. What is the direct cost of launching a Telstar satellite?

Answer. Approximately $3 million ($2.5 million for the Thor-Delta booster and $500,000 for support activities).

Question. How many satellites would be needed for a high-orbit system moving synchronously approximately 22,300 miles out in space?

Answer. Three to five.

Question. What is the difference between the cost of a low-orbit and high-orbit satellite system?

Answer. A conservative estimate of the cost of the two systems is $200 million for the three satellite high-orbit system and $500 million for a low-orbit system employing 40 satellites.

Question. Is there an estimate of the thrust necessary to put up a high-orbit synchronous satellite of 22,300 miles out in space?

Answer. No firm, reliable estimates have been made.

Question. Has NASA suspended research and development of the high-orbit Syncom satellite system?

Answer. Definitely not, NASA is continuing to pursue this system; the Department of Defense has reoriented and transferred the high-orbit Project Advent from the Army to the Air Force; this transfer has resulted in substantial monetary loss for which there are no firm estimates. Some people may have confused this action with the development of the NASA Syncom project which is continuing full steam ahead.

Question. Does the proposed bill assume that a low-orbit system will be the first operational communication satellite system?

Answer. Not necessarily, technical witnesses have refused to state without qualification, that, at the present level of research and development, one particular system should be developed to the exclusion of competing alternatives.

Question. How many useful minutes of broadcast time are provided between Europe and the United States by Telstar?

Answer. The path of Telstar is an eccentric orbit, thus the amount of useful broadcast and transmission time varies with the orbital path. Roughly 15 to 20 minutes of usable time are provided by Telstar.

Question. How many satellites would be required for full coverage of the North Atlantic community?

Anwer. Full coverage in a low-orbit system would require 40 satellites the same as is required for complete world coverage, because of the rotation and revolution of the earth.

Question. How much do ground stations for a communication satellite system cost?

Answer. The A.T. & T. ground station at Andover, Maine, cost $10 million, but it is the first such station and later ones would reasonably be expected to be less.

Question. How many ground stations would be required for full coverage of the Atlantic community nations?

Answer. This would depend upon the extensiveness and level of developments of the existing ground communications network in the nations involved. If there is a good system as in the United States, several stations would be sufficient, perhaps two would be adequate for coverage of the United States.

Question. Does this legislation mean that the U.S. Government gives up any right to have a complementary system or competing system?

Answer. There is no doubt that military requirements for space communications will necessitate the existence of a separate system designed to fulfill military needs.

Question. Is A.T. & T. committed to the development of a low-orbit communications satellite system to the exclusion of other systems?

Answer. Mr. Dingman, executive vice president of A.T. & T., testified that A.T. & T. has no commitment to any particular kind of satellite system; they have simply proposed before the FCC that A.T. & T. proceed with the so-called medium altitude satellite system; so that the United States can be first to have an operational system.

Mr. HOLLAND. Mr. President, I have three points to make. I shall make them briefly.

First, while I think the distinguished Senator from Illinois had very little to say along the lines of personal privilege, I had no objection to his statement, and I did not raise any objection while he was speaking. I hope that no Senator will be so unfriendly to me as to move that the remarks of the Senator from Illinois be deleted from the RECORD, because I prize the admission from him in the RECORD that the Senator from Florida is not the poorest Senator in the Senate.

Mr. DOUGLAS. I have always said so.

Mr. HOLLAND. I am very grateful for such gracious recognition from Olympus.

Second, I listened very attentively to hear whether the Senator mentioned one thing which I had said which I thought was a questioning of his earlier position. I said he had incorrectly stated—and I felt certain he had done so inadvertently—that I had always opposed cloture in the past. I showed rather conclusively that that was not the case. I did not hear the distinguished Senator from Illinois mention that fact at all. I really thought that that would be the onus of his remarks on the question of personal privilege, because I had stated, and I now state, that that remark was not correct. But I also said—that I think the remark was inadvertently made——

Mr. DOUGLAS. I qualified my statement by saying that the Senator from Florida is perfectly ready to vote for cloture if cloture can defeat progressive legislation. He is unwilling to vote for cloture on a substantive measure to protect civil rights.

Mr. HOLLAND. With that remark, the Senator from Illinois again shows his complete unwillingness to face up to the realities of the situation. I know that the distinguished Senator is proceeding progressively, but very slowly, to realize what cloture really means.

I call attention to the fact that 8 years after the Senator from Florida had made his position very clear on the floor of the Senate in 1954 that cloture was really a two-edged sword and could be used for either offense or defense, and he had so used it, the distinguished Senator from Illinois finally reached the same conclusion by voting as he did the other day on the cloture motion. I congratulated him very warmly upon having, at least after 8 years, caught up with the position of the Senator from Florida.

I did not hear any reference to that in the Senator's remarks on personal privilege.

The third thing on which the Senator from Illinois proved my case so conclusively, my case based on what I had said that the Senator from Illinois is one of those—and I hope they are few now—who feel that cloture really does not apply at all except in the case of civil rights matters, as thought by the Senator from Illinois, to be vital civil rights proposals. I think that is rather clearly but conclusively shown by his own statement, as the Senator from Illinois talked about cloture, the rules, and proceedings under the rules solely in the light of what he regards as important civil rights provisions. I shall let the speech of the distinguished Senator from Illinois speak for itself in that regard.

I yield the floor.

Mr. JAVITS. Mr. President, I yield myself 5 minutes.

I have listened with great interest to the colloquy between the Senator from Florida [Mr. HOLLAND] and the Senator from Illinois [Mr. DOUGLAS]. It is well known that I and others who voted as we did on the cloture motion may have voted with opposite feelings but may very well have come to the same end point. This may have been based upon the rationale for our judgment on the measure.

The end point is that it is the duty of the Senate to apply cloture—and cloture has been in desuetude for 35 years—to make it possible that at long last it would have remained to the Senate to show it can apply cloture, and that it will apply cloture, and this has not been, as has been so constantly advertised, the citadel of unlimited debate, because the citadel of unlimited debate may remain a citadel at the price of their being inundated by a flow of the waters of time or being so isolated, it will fall to the next aggressor by its lack of contact with the working world.

So whatever may have been the rationale for our views, the end point is the same.

Also, I do not feel that we have in any way done other than advance the cause of those who would amend the rule which has a strangulating effect upon the Senate—rule XXII—for this reason: The Senate has shown that it will not

be frustrated by a minority; and that, therefore, when it wishes to work its will, it knows how to do it. That minority having been 12, 13, or 14 Senators, proves that the rules of the Senate were adequate to allow the Senate to work its will. But when the minority is 22 Senators, then the present rules of the Senate do not permit a working of the Senate's will. Hence, I feel we have the right, when we face any kind of opposition, the principle having once been established, to seek to amend the rules of the Senate so that after reasonable and proper debate, a constitutional majority of the Senate—51 Senators—may deal with the larger minority, to wit, that minority which will filibuster any civil rights measure, which also can frustrate and defeat the ends of the majority of the Senate.

It was very clear that this cloture could not have been carried unless a number of southern Senators had absented themselves from the Chamber, as indeed they did.

One other point, the idea that there are four realities in this Chamber. I do not agree that there are four parties in the Chamber. I think each of us who entertains views—I do and the Senator from Illinois [Mr. DOUGLAS] does—has a dual duty, and that is the duty to work within our parties, as we have the duty to work within this Chamber for the legislation which we consider to be just.

I have always been against a realinement of the American political parties for that reason. I should like to highlight and pinpoint it now.

There are half a dozen cases in which it would have been impossible to pass measures in this Chamber had there not been a ferment within my party, as there is in the Democratic Party, on a particular measure. I pointed out this morning how in the debate, in 1961, on rule XXII there was no such gross decision by the bulk of the party as to what it would do in respect to cloture, in respect to motions to table, and the other votes which took place then. But, in substance, the parties were quite evenly divided as to those who were for and those who were against the amendment of rule XXII and the effort to make some change at that time, at the beginning of a Congress.

We will be back again—perhaps I shall not; perhaps someone else will succeed me, although I hope not—but most of us will be back in January, 1963. I believe what we have learned now in connection with this cloture vote will be of inestimable help to us in January, 1963. I look with greater optimism to the fight that I know will be made then to change rule XXII, based upon the constitutional proposition that the Senate has the power to change its rules, whatever the rules may say on that subject.

I feel that when the Senate returns in 1963, it will have the capability, based upon the precedent which has been set by the Senate, to amend the rule so as to apply cloture, if only it desires to do so.

Mr. President, while I am on my feet, I yield myself 5 additional minutes in order to make a statement which I had in mind to make at some stage of the debate, as to why I shall vote for the bill. This is a very serious decision on my part. I have made it only after considerable deliberation.

I have come to the conclusion that I shall support the pending communications satellite bill. Although it is by no means the optimum bill for the situation, and I consider the guillotine methods of cutting off amendments to have been most unfortunate for this legislation, as well as for the legislative process, nonetheless, I conclude that the bill offers us the better of the two alternatives—a mixed private-Government enterprise rather than, as the proponents of the bill desire, a wholly Government-owned enterprise. What has been too little noted about this bill, and what is conclusive to me, is that governmental control over the bill, as well as its operation, is retained once it becomes law. Indeed, I can clearly envisage further revision of the plan early in the next session of Congress.

In my judgment, the United States retains authority to regulate and control all matters connected with foreign policy and foreign relations including such matters which are inherent in business negotiations. Also, the United States retains full veto power over the satellite communications corporation's activities. This veto power is most importantly contained in section 102(d) which expressly excludes from the operation of the act "the creation of additional communications satellite systems, if required to meet unique Government needs or as otherwise required in the national interest."

In short Mr. President, we can take another course, if we desire to do so, in connection with any other communications satellite system, for this one is not a monopoly. Clearly we can do that under the provisions of this bill, and I believe that is perhaps the most important aspect of the bill. Also, a combination of the provisions of section 301 reserving to the United States "the right to repeal, alter, or amend this Act at any time" and section 403(c) requiring compliance by the corporation with all provisions of the act as well as rules and regulations under it subject to judicial sanction, is very effective veto power. If more were required, it may be found in the complete authority—indeed it is the only capability available—of the United States to put the satellite into orbit, section 201(b)(5) and section 305(b)(3).

Let us remember that nothing can be lofted into space from the United States unless the U.S. Government chooses to put it there. So there is a complete veto power by the U.S. Government, because the U.S. Government is completely untrammeled in that regard.

Notwithstanding the doubts of the opponents of the bill, I believe that the interpretation of the powers of the President to control the corporation as its activities relate to the national interest and foreign policy of the United States, section 201(a) has now been established as paramount over the authority of the corporation in business negotiations as set forth in section 402 and elsewhere in the act.

Finally, the complete power of regulation invested in the FCC, including the right to compel stock to be transferred by any authorized carrier to any applicant, section 304(f), is an added and strong safeguard of the public interest.

I have felt that a mixed public-private enterprise plan for the communications satellite system is the most effective and proper one, first as an extension of our existing communications systems which are private, but, even more important, as an appropriate means for developing what I feel must increasingly be the nature of our economic society's future if it is to develop along the national and world lines now envisaged. Such public-private forms of organization are to my mind an extension of our system necessary to cope with the state trading and the monolithic economies of the Communist system. If we follow the path of strictly private enterprise, we will find ourselves speedily at a disadvantage and unable to compete effectively. If we follow the path indicated by the opponents of this bill into strictly Government enterprise where private enterprise is willing and able to operate, we will lose the benefits and strengths of our system and become weaker in the competition with the Communists. The fact is that we have probably the best utility, telegraph, telephone, radio and television systems in the world, in terms of the service to the users, all privately owned, but regulated by the Federal Government.

The next step is Government-business cooperation as attempted in this bill and it is so vital as to be worth trying. It is to be noted that thereby the United States will be relieved of further investment in development which will be undertaken by private financing while the Federal Government will fully participate in management and have the effective benefits of the creation and operation of the system. The U.S. Government will sit in on management through 3 of the 15 directors. It certainly is very important that these directors be subject to confirmation by the Senate, section (302).

I would have preferred some amendments to the bill, among them a 10-percent limitation on ownership of voting stock by any one authorized carrier; and a restriction imposed on stockholders which are not authorized carriers. I would also have preferred some stock ownership by the United States, with the right to sell stock to the public after a period of years, and other amendments. But the heat and tension generated by the debate and cloture vote destroyed the opportunity to perfect the bill, for all practical purposes, although I and others have tried to vote in a selective way even on the guillotine motions to table. We must rely upon the power of the President to recommend additional legislative or other actions under section 404(a) or we must initiate such legislation ourselves to perfect the plan of operation. It may well be that the failure to perfect the bill now is not as serious as it seems for we may be helped in this work by experience.

Mr. President, I should like to have the particular attention of the Senator

from Rhode Island [Mr. PASTORE], when I now state that it is my understanding that the Senators in charge of the bill understand and accept the fact that we may well have to deal with this legislation again early in the next Congress.

The PRESIDING OFFICER. The time the Senator from New York has yielded to himself has expired.

Mr. JAVITS. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 2 more minutes.

Mr. JAVITS. Mr. President, I have asked the Senator from Rhode Island whether it is his belief, as the floor manager of the bill, that we may well have to deal with this legislation again early in the next Congress; and he has told me—and he is here now, and can either confirm or deny it—that he understands that perfectly, and that his mind is perfectly open on that subject.

Mr. PASTORE. That is absolutely true.

Mr. JAVITS. And that this bill may not by any means be the final word.

Mr. PASTORE. That is absolutely true, because we really do not know what the future has in store; and in dealing with the 10 percent which the common carriers can purchase, there is provision for divestiture—that is, if another common carrier requests a certain bloc of the stock, under the provision quoted the holder of the stock can be forced to divest. That does not apply to the public ownership. Furthermore, the Space Committee had more or less limited the purchase of the stock to the international communications carriers; but we have broadened it by providing that it shall apply to all the communications carriers who are regulated by the FCC. That might extend it to perhaps be broad enough to include 35 or 40 communications carriers.

Mr. JAVITS. I thank the Senator from Rhode Island.

The PRESIDING OFFICER. The additional time the Senator from New York has yielded to himself has expired.

Mr. JAVITS. Mr. President, I yield myself 1 additional minute.

The PRESIDING OFFICER. The Senator from New York is recognized for 1 more minute.

Mr. JAVITS. Mr. President, the success of the twin Russian cosmonauts should teach us that this is no time to dally in developments in space. It is unnecessary to consider ourselves in a race to recognize that we cannot, in the national interest, be outclassed in space exploration and use. While the Russians may leap ahead in a particular field, as they have with the twin cosmonauts for which they are properly to be congratulated, we can leap ahead in other fields of communications—for example Telstar—and I think also we have an excellent chance to leapfrog them in their own chosen fields, for the very reason of our having started later may mean that the most modern technology will ultimately be ours.

Therefore because it is the best of the alternatives before us, because essential U.S. Government control is inherent in the plan, because there will be an opportunity to perfect the plan of operations hereafter, and because time is of the essence in getting on with this vital national business, I shall vote for the bill.

Mr. GOLDWATER. Mr. President——

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. I will yield myself 8 minutes.

Mr. President, we would all be well advised, I might suggest, to reflect for a moment on the debate we have witnessed over the past 3 weeks. The U.S. economy, regardless of what other systems administrations may toy with, is still one of private enterprise. All of us, at one time or another, may use this phrase in a general way, but we know, when debate arises on a piece of legislation or another Presidential request, that we must think in terms of just how this proposal will fit with our fundamental protections from a centralized government.

The communications satellite bill is an excellent example of a case where free enterprise stands in need of protection. We have delayed too long in acting on the measure before us, but I am sure that when debate time has expired, the Senate will approve the bill and the American people will benefit from our action. It would be foolish indeed for us to take the successful venture Telstar—which was accomplished through initiative and research of American business—and drop it into the maze of Federal bureaucracy. A new Government agency, with all its attendant authority and all its requests for money and power, would be necessary if the Federal Government were to assume ownership and control of our communications in space.

Mr. President, the American people can ill afford another agency, another anthill of bureaucracy, to absorb the taxpayers' dollars. Consider for a moment the current trend in bureaucratic empire building.

There are more Federal civilian employees on the New Frontier's payroll today than at any time in a decade. What is more, the payroll will amount to more than $14 billion, not just the biggest in a decade, but the biggest in history and the biggest civilian peacetime payroll of any country in all history.

In June alone, the Kennedy administration hired 34,921 new employees. Since June a year ago, the New Frontier has obtained 77,351 more employees. Since he took office, the President has hired 139,718 new employees.

These figures do not include the December Christmas help. The figures do include employees of the General Accounting Office and the Government Printing Office, both of which are subject to Civil Service. Also included are the comparatively small handful of advisers or so-called dollar-a-year personnel, who nevertheless require office space, equipment, and secretaries.

And in Mr. Kennedy's budget message this year he estimated a need for 46,000 more civilian employees in the fiscal year which began July 1.

Mr. President, this type of irresponsibility breeds only confusion and waste and it would be irresponsible on our part to place our communications satellite system in the hands of a governmental agency.

In order to get on with the vitally important business of enacting the Communications Satellite Act, I would like to suggest that we recess over the weekend so as to give the President time to call together his Democratic leaders, unite the schizophrenic elements of his party, and, if I may borrow a phrase, "get this country moving again." I think the President would be well advised to invite the leaders of both factions of the Democratic Party up to Hyannis Port, and, by the cooling waters of the bay, instill some sense of responsibility. It is interesting to note that, while the President is out in California this week, he will be preaching one thing about Democrats while, at the same time, he is being contradicted by reactionaries of his own party here in the Senate.

Frankly, the American people deserve better treatment than the farcical display they have witnessed over the past weeks. While the senior Senator from Oregon has been stalling Senate action on the pending bill, his action has also stalled important bills in the field of education. Solely as a result of his prolonged attack on private enterprise, the Senate has been delayed and even kept from debating the administration's own measures which are before his Subcommittee on Education.

Three bills—improving the quality of education, adult literacy, and general university extension—introduced by the senior Senator from Oregon, have been languishing in his subcommittee while he leads his small band of reactionaries in an endless series of time-consuming tactics.

The higher education bill was sent to conference on May 9, but the first meeting was not held for over a month—June 19 to be exact. Two subsequent meetings were held—June 22 and July 18—but since that time there has been no action at all on this administration-sponsored bill.

President Kennedy has an overwhelming majority of Democrats in both the House of Representatives and the Senate. He is charged with leadership. He is charged with guidance and direction. But as an experienced navigator he must realize the dangers inherent in allowing the ship of state to drift aimlessly, subject to the rocks and shoals of liberalism. I would like to suggest that the President drop anchor and take a fix, so to speak, "to get this country moving again."

Mr. PROUTY. Mr. President——

The PRESIDING OFFICER. The Senator from Vermont.

Mr. PROUTY. I yield myself 8 minutes.

I have compiled a series of questions to which I shall give the answers. I think that these exchanges will aid the public in finding out what has been going on in the Senate and in determining whether the pending legislation has been given adequate consideration.

Question 1: Have the Senate Commerce Committee, the Senate Space Committee, and the Senate Foreign Relations Committee all held hearings on the communications satellite bill, and have the Subcommittee on Monopoly of the Small Business Committee and the Subcommittee on Antitrust and Monopoly of the Judiciary Committee also held hearings on the subject matter of this legislation? The answer: "Yes."

Question 2: Is it true that these 5 committees have taken about 3,000 pages of testimony over a period of 34 days of hearings? The answer: "Yes."

Question 3: Is it a fact that the Commerce Committee heard seven administration witnesses, all of whom testified in support of the satellite bill? The answer: "Yes."

Question 4: Who were these administration witnesses? The answer is Frederick W. Ford, Commissioner, Federal Communications Commission; Nicholas Katzenbach, Deputy Attorney General; George C. McGhee, Under Secretary of State for Political Affairs; Newton Minow, Federal Communications Commission; Edward R. Murrow, U.S. Information Agency; James Webb, National Aeronautics and Space Administration; Edward C. Welsh, Executive Secretary, National Aeronautical Space Council.

Question 5: Is it a fact that the Space Committee heard nine administration witnesses, all of whom spoke in favor of the bill before the Senate at the present time? The answer is "Yes."

Question 6: Who were these administration witnesses heard by the Senate Space Committee? The answer is: Commissioner T. A. M. Craven, FCC; Dr. Hugh Dryden, NASA; Nicholas Katzenbach, Assistant Attorney General, now Deputy Attorney General; George McGhee, Under Secretary of State; Newton Minow, Commissioner of FCC; John Rubel, Assistant Secretary of Defense; Martin Stoller, NASA; Bernard Strassburg, Assistant Chief of Common Carrier Bureau, FCC; Dr. Ed Welsh, NASA Counsel.

Question 7: Is it a fact that the Foreign Relations Committee heard six representatives of the administration, all of whom testified in support of the legislation? The answer is "Yes."

Question 8: Who were these administration witnesses? The answers is: Attorney General Robert F. Kennedy; Director of USIA Edward R. Murrow; Chairman of FCC Newton N. Minow; Secretary of State Dean Rusk; Deputy Administrator NASA Dr. Hugh Dryden; Secretary of Defense Robert S. McNamara.

Question 9: Is it a fact that there are 41 different Senators on the three commitees which considered the actual communications satellite bill? The answer is "Yes."

Question 10: Is it true that the Commerce Committee reported the bill by a vote of 15 to 2? The answer is "Yes."

Question 11. Is it true that the Aeronautical and Space Sciences Committee approved the bill with no dissenting vote? The answer is "Yes."

Question 12: Is it true that the Committee on Foreign Relations reported the bill by a vote of 13 to 4? The answer is "Yes."

Question 11: Is it true that there have been 18 or 19 days of debate in the Senate on this proposed legislation, which takes up approximately 600 pages of the CONGRESSIONAL RECORD? The answer is "Yes."

Question 12: Is it a fact that most—perhaps all—of the amendments which have been offered by opponents of the bill in the Senate either were offered or discussed in committee or could have been offered or discussed in committee? I think the answer is "Definitely yes."

Question 13: If major substantive changes were made in the bill on the Senate floor, would not those changes cause great delay and possibly endanger the passage of the bill, even though the membership of both Houses of Congress overwhelmingly favors the adoption of the proposed legislation? The answer is "Yes."

Question 14: Is it true that if the FEPC amendment had been approved it would have caused a major substantive change in the bill and might have resulted in delay or defeat of the bill? I think the answer is "Undeniably yes."

Question 15: Is it true that on 19 key votes on amendments to the satellite bill offered in the Senate an average of about 66 Senators voted against the amendments and an average of about 16 Senators voted for them? The answer is "Definitely yes." I might say that I did not include the vote on cloture in this tabulation because obviously several Senators who voted against cloture favor the bill.

Question 16: Is it true that the House of Representatives supported the communications satellite bill by the overwhelming vote of 354 to 9? The answer is "Yes."

It seems to me, Mr. President, that the approximately 16 Senators who oppose the enactment of the bill have had more than ample time to present their views. I do not question the sincerity of any one of them, but I believe they should recognize that debate has been full and complete both in the committees and in the Senate. I hope that they will gracefully allow the Senate to proceed with the pending business, which is of vital significance to the national welfare.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

Mr. HUMPHREY. Mr. President——

Mr. MORSE. I beg the Senator's pardon. I did not know the Senator wished to make a speech. I withdraw my suggestion.

The PRESIDING OFFICER. The suggestion of the absence of a quorum has been withdrawn. The Senator from Minnesota is recognized.

Mr. HUMPHREY. Mr. President, I yield myself whatever time I have remaining within the limitation of the cloture rule to discuss certain aspects of the proposed legislation and why I support the bill which is before the Senate.

Mr. President, as one who supports the bill before us to establish a privately owned communications satellite system, I would like briefly to discuss some of the arguments and charges that have been made in opposition to this measure and, indeed, some of the arguments which should be made for the measure.

First, let me say that I respect the position expressed in all sincerity by opponents of this bill, a position held by some Senators, that it would be preferable for the Government to own and control the communications satellite system rather than a private corporation. A good argument can and has been made for such a position, and while I and the vast majority of the Members of the Congress feel that the pending measure is preferable to one providing for Government ownership and management, this is certainly an issue over which reasonable men can disagree.

It is my own feeling, in view of our traditional private ownership of communications systems, and in the absence of any reason to believe that an effective communications satellite system cannot be built and operated by private industry, that private rather than public ownership is preferable; provided, of course, that there be adequate governmental regulation and supervision of the communications satellite corporation. I am convinced that the bill before us does contain adequate safeguards to protect the public interest and, indeed, to protect our national security. It is my intention to document that position.

There has been a great deal of talk, Mr. President, about the groups who are for and against the bill. It has been said that liberals are opposed to it, which I suppose would imply that conservatives are for it. I am convinced that is far too simplified an explanation either of the opposition or of the support for the measure.

I am a political liberal, and I have supported public ownership in those areas where the job would not otherwise be done or done as well. This is why, for example, I have been a stanch supporter of the Tennessee Valley Authority, and why I have supported on many occasions in this body the development of our hydroelectric power resources under the terms of public power, and why I have supported, of course, reclamation and irrigation projects which have been proposed. These are some of the instances in which I feel the Government has performed a service which the private sector of our economy was simply not in a position to handle or to handle as well, due to the costs involved and the lack of prospects for adequate profit to make such ventures worthwhile for private entrepreneurs, and, indeed, due also to the sharing of the benefits on a more equitable basis than would come when there was private development of the great natural resources.

I am not one of those who would argue that Government cannot perform certain business activities just as well as private industry, depending, of course, on the nature of the project. The TVA is an outstanding example of efficient Government management.

Even the most bitter foes of TVA are forced to concede that TVA does a most outstanding and efficient job.

It is for this reason that I have supported proposed legislation in the Senate to strengthen the TVA, to give it the opportunity to perform the services for which it was designed. But, as a political liberal, I do not take the position that Government ownership is necessarily to be preferred to private ownership.

One of the characteristics of a liberal is that he is not dogmatic or doctrinaire. As a liberal, I desire to see a system that will best serve and benefit all the American people. I prefer to see economic institutions that permit high standards of living, good working standards for employees, excellent services for the consumer, and a constant awareness of the public interest. In making a decision as to the kind of institution we might wish to develop, we must weigh economic, social, and political factors.

I have always been a stanch supporter of the rural electric cooperatives, which have played such a vital role in bringing electricity to many millions of people. Experience has shown that the cooperatives do an efficient and good job for the rural consumers of electricity.

Few, if any, I hope, would suggest that the rural electric co-ops be turned over to Government operation. They are privately operated according to the principles of cooperative economic enterprise. But I repeat that they are privately owned. They are not owned by the Government. In large measure, the success of our economy has been due to the fact that we have recognized that private profitmaking businesses, or, as we call them, free enterprises, cooperative ventures, and government all have an important role to play. Our economy is an admixture of corporate enterprise, private enterprise in terms of individual ownership, cooperative enterprise, and some public ownership.

It is very difficult to find one word that would properly explain or classify that type of system. I would call it the American economic system, which has produced more benefits for the people than any other economic system on the face of the earth.

Governmental operation and ownership of a system do not guarantee that it is fair, just, and equitable, or even serviceable. There are instances in which Government ownership produces all of the desired results, but there are instances in which Government ownership produces nothing but chaos, losses, and trouble. In our private economy, workers in America receive better wages, more benefits, and better working conditions than workers in any other country on the face of the earth, whether that country has public or private ownership. No workers in the world are paid as well and given as good working conditions as those in the United States in the instance of some of our largest businesses. That does not mean that big business is always fair and just, but it does mean that it is possible, not only in theory, but also in fact, for a private corporation to do much more for the people of the Nation and for its workers than any doctrinaire state-owned system. I repeat that one does not need to be dogmatic on that subject. That which works best and produces the greatest good for the greatest number is the system which I think ought to be adopted.

The segments of that admixture of corporations, private businesses, cooperatives, and Government-owned enterprises have not worked in opposition to each other, but really as parts of the economic system we have developed, which is unique to our country. I repeat that it is an economic system unsurpassed in world history.

The development of the regulatory bodies and agencies on the part of the Federal Government, the State government, and the local government have done much to bring a quality of justice, fairplay, and public service into the private sector of our economy. The tax laws of our Nation have done much to assure a more equitable sharing of the economic rewards of industry and labor. The laws we have enacted relating to social security, in the States, laws concerning workmen's compensation, and other matters, have so conditioned our economic system that we call it a humanitarian system. As one American, I am proud of the fact that we have developed one of the most efficient, just, and humanitarian political and economic systems that the world has ever known. I do not intend to classify it under any name, as either capitalism or socialism. I prefer to classify it as a working operating system which produces great benefits and rewards for those who invest their capital, for those who invest their labor, for those who invest their talent and their skill, and for the consumers—the general public.

To my mind the pending measure is a good example of Government and private business working together for the express purpose of developing a global communications system.

Unless the United States of America, with its system of private enterprise and representative government, is able to pool the resources of Government and industry, unless we are able to bind these two great forces together in a common purpose, we shall suffer an ignominious defeat in every sector, in every area, at the hands of the totalitarian powers that use dictatorship, force, planning, and coercion to mobilize every human resource they have for an objective.

The task today is so to plan the proper use of our resources, physical and human, governmental and economic, without coercion, and through cooperation, in a free country and in a free society so we can realize the objectives and goals we have envisioned.

I have heard on the floor of the Senate the charge that the communications satellite proposal sets a bad example for America in the world. To the contrary, I am not trying to encourage the whole world to have state ownership. There are areas in every economy in which state ownership may be preferable. But I do not think it is the purpose of the United States to demonstrate to the world that the only way the resources of an economy can be mobilized is through Government ownership, direction, and control. I believe that we ought to demonstrate to the world that a free people, through their free institutions of Government and through their free economic institutions, can pool their resources without the loss of identity of either Government or private enterprise in the fulfillment of a common objective.

I wish to afford the world an example of what can happen in this country when the Government works with the private sector of our economy and when Government and industry walk arm in arm toward a common purpose and with a common goal. Rather than be ashamed of what we are doing, we ought to proclaim it.

If the proposed legislation needs modification, there are days yet to come, I trust, for the institution of representative government. It is well known that this is a pioneering effort. It is well known that next year we may have to take another look at the legislation after we have had some experience with it. The law relating to TVA has been modified. The law relating to the Atomic Energy Commission has been modified.

I hope we will learn from experience. I trust we are not going to close our eyes to the realities and the needs of the time. Therefore, I, for one, am not here to apologize for my support of this proposed legislation, H.R. 11040, the communications satellite proposal; nor am I here to say that this is perfect legislation; nor am I here to say that it cannot be improved. I am here to say that it is a reasonable and acceptable beginning in the field of global communications, in the field of communications satellite development. I am here to say that we are making a right beginning. With some reason and sense, instead of passion and emotion and stubbornness, we can perfect this legislation, if not now, because of the climate of opinion in this body, at a later date.

I know one of the reasons why the President sent the bill here as he did. Let us face up to it. If we are going to move ahead in the field of communications satellites, we must have legislation. It could be legislation which simply stated that a private communications carrier should operate under existing law, under the Federal Communications Act. That would really have been a monopoly. That would have failed to take into consideration the existence of global communications development. Or, the President could have sent here a bill which said we will make it Government owned. So the President of the United States, who has responsibility, not for political theory but for the operation of this country, and for political reality, sent here a proposal which combines public and private responsibilities, public and private resources, a proposal which he believes would, as I shall demonstrate, protect the public interest and further the national interest. If we wish to have merely an academic debate on the theoretical premises about communications satellites, we can do that, but we ought to do it at universities, not in the U.S. Senate. We are here as legislators. Every Member of the Senate

knows deep down in his heart that it would not even be possible under the existing climate of political opinion in America to adopt a publicly owned communications satellite system.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I cannot yield at this time, I say most respectfully. If I have a few minutes left later, I shall be glad to yield.

Second, every Senator knows that if this proposal or one like it is not adopted, the telephone company, which has been bandied back and forth here again and again, A.T. & T., can go to the Federal Communications Commission and can apply for a license; and if it can demonstrate that it has the capacity to do the job and to serve the public interest, that license will have to be granted. Then we will have a full-scale monopoly.

What President Kennedy has tried to do is to avert that possibility. What President Kennedy has tried to do is to harness the governmental and private resources of America, so that America can lead in space development.

Let me make this crystal clear. Our foreign aid program will be a complete flop if it is going to depend only on the Government, as good as the Government activities may be. Our foreign aid program will require private participation in a degree that far exceeds Federal commitment if it is to succeed, and it will require private participation far beyond what it is today if we ever hope to compete with the Russians. The Russians have an economic structure in which the Government is everything, in which it is all power. We have a system in which the Government represents only a little of the power of America. Thank God for that. I do not want to turn America over to the Government, under which every aspect of our economy, every candy store, every machine shop, every laundry, every telephone, would be turned over to the Government. I like my country. I believe in its system. I believe that we have a system that can promote the greatest industrial development of any country on the face of the earth with justice, with equity, with rewards to workers and consumers and investors, and preserve individual freedom.

I see in this proposal an honest effort, although not a perfect one. It accommodates both private and public interests. Instead of being critical of it we ought to say that it is a great beginning, just as we had other beginnings.

The pending measure is a good example of Government and private business working together to develop a global communications system. It is a good example for the world. I do not believe our Government needs to demonstrate to the world that we can put up something that is just as good as the Russians can put up. I am sure that we can. When it comes to Government operations, they are experts in it. We are pretty good when it comes to private industry.

I say with all respect to the opposition that the licensing proposal which was made has considerable merit. I do not want my remarks to be misinterpreted. I know that those who oppose this system have not asked that the private sector be kept out. It is a matter of who would have the ultimate say. I would like to say further to those who oppose this matter that many of their arguments have great merit. I believe that the legislative history which has developed here will put every agency of the Government on guard to make sure that none of the abuses develop that have been outlined here as possibilities under the proposal that is before us.

Let us not think for a minute that the United States can maintain superiority in the communication field without the wholehearted cooperation and effort of both public and private sectors of the economy. This is what the bill before us would provide.

I am convinced that this privately owned communications satellite system, working in close cooperation with the Federal Government and under supervision and regulation of our Government, provides the best means of obtaining our desired goal of getting on with the job of developing a first-rate communications satellite system.

I must be frank to say that I have been disturbed by some of the charges that have been made—on and off the Senate floor—that the pending bill is a "reactionary measure," a sell-out to big business, a giveaway bill, the building of a giant predatory private monopoly.

For example, it has been indicated to the public that the only way that this satellite system can be put into orbit is through the Federal Government's activity. That is true. However, has it also been pointed out that the costs are reimbursable? It has been said that the original research has been done by the Federal Government. That is true. I might add that that is not the only thing that has been done by the Federal Government. The same thing has been true with respect to airports for communities, and airplanes for airplane manufacturers, and drugs for drug companies, and clothing for clothing manufacturers. The Government of the United States has made vast efforts in research.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I will yield at the conclusion of my remarks.

Mr. President, such emotion-laden charges make for great headlines in newspapers, but I am afraid that they throw more heat than light on any rational discussion of the measure before the Senate.

This is no giveaway. As a matter of fact, the taxpayers of this country should know that the cost of this communications satellite system will be privately financed rather than have it come out of the Federal budget, which is already running at a $6 billion deficit. What we are attempting to do is to adapt the resources of the country and to bring in the capital through other means than taxation. We are seeking to develop and improve a communications system. I see nothing wrong in that—not a thing.

As one who has been rather proud through his political life of being called a liberal, and sometimes a radical, I categorically take issue with any assertion that this is a bill that liberals cannot support. I remind such critics that the bill which the Senate is considering is one proposed by the present administration—a liberal administration—indeed, one, if you please, that the business community says is too liberal, one that it does not like. Some of our conservative colleagues have charged that this administration is unmindful of the business community. In fact, some have even charged the administration with being antibusiness.

Does any Senator really believe that President John F. Kennedy would propose to Congress the creation of a private communications satellite corporation, based upon cooperation between Government and private enterprise, if he did not believe it was in the best interests of the country and in line with his overall policies as President of the United States?

President Kennedy has read the bill. He has read it line for line. He has reviewed the bill with his top advisers. When people say the President would not support the bill if he knew what was in it, I suggest they ask the President of the United States, as I did, "Mr. President, are you familiar with the details of the proposed legislation?" His answer to me was, unequivocally, "Yes." President Kennedy has as good a mind as anyone I know, as that of any man I have ever met, and he has studied the bill. I suppose one of the reasons why much study has gone into it is the controversy over it. But I do not think it dignifies the President to indicate that he may not have read the bill. He has read it and has studied it.

Does anyone seriously believe that the President of the United States would propose a giveaway measure? I do not know what is being given away. Any satellite system which is developed will have to be paid for by investors. In fact, if there was any real giveaway, it would be if the Government owned the system and then leased it to a private enterprise, because in the leasing of the system surely the Government would not make any money. The Federal Government has not had very good results in leasing things.

Does anyone seriously believe that our President and this administration, which have taken the lead in the fight against monopoly, would permit a proposition or a proposal that would violate this administration's basic tenets and principles?

I know, and the American people know, that our President would not have submitted this proposal to Congress unless he was convinced that it was in the best interest of the country, and, as I have already said, unless he was convinced that it was needed now in order to begin to move on the creation of a global communications satellite system.

This is what the President said in his letter accompanying the transmittal to Congress of this communications satellite bill:

> Within the policy framework, particular attention has been given to the question of the ownership of the entity that will operate this system. Throughout our history this country's national communication systems

have been privately owned and operated, subject to governmental regulation of rates and service. In the case of the communications satellite operation, our studies have convinced us that the national objectives outlined above can best be achieved in the framework of a privately owned corporation, properly chartered by the Congress. The attached bill authorizes the establishment of such a corporation, financed through the sale of stock to the public.

Those are the words of the President of the United States—a Democrat, a liberal, a man who ran on a liberal platform, and a man who is adhering to that platform.

The Communication Workers of America, AFL–CIO, the union most involved in the communication field, employed two eminent outside experts in the field of communications satellite development to examine into the merits of public ownership and private ownership under governmental regulation. What was the result of that study? Unequivocally, it was that if it was desired to move ahead, to tap the resources of the country, to move forward in the field of communications satellites, a proposal which embodied private ownership with public control and regulation was desirable.

I believe the Senator from Missouri [Mr. SYMINGTON] read into the RECORD yesterday a letter from Mr. Joseph A. Beirne, president of the Communication Workers of America, AFL–CIO, so it will not be necessary for me to read Mr. Beirne's letter again.

Joseph Beirne is a liberal. He has supported many liberal measures which were before the Senate. His organization is a good, substantial one. Why does that organization support the pending proposal? I will tell the Senate why. It is because trade unions have trouble negotiating with the Government for fair and decent wages. If one wants good working conditions, he works with private enterprise. Every year Government employees come before Congress, begging on bended knee that Congress give them a little better deal. Only this year, in 1962, did the Government of the United States accord unions recognition.

Mr. MORSE. Mr. President, will the Senator from Minnesota yield on that point?

Mr. HUMPHREY. I will yield at the end of my remarks.

Only in the year 1962 did the Government accord unions recognition.

I do not equate the public interest always with private business interests and liberal interests, but I say that this is one of the factors that ought to be taken into consideration.

Mr. Beirne appeared before the Committee on Aeronautical and Space Sciences on March 7 of this year to testify on the bill. Since then, Mr. Beirne has answered the letters of Senators, and I have seen copies of those letters. He has not backtracked one inch. He has answered the charges that have been made. He has not yielded at all in his position.

Testifying before the committee, Mr. Beirne said:

Not long ago we had a study made by a Dr. Williams of the University of Tennessee, and by a Dr. O'Brien of the University of Toronto, wherein public owned communication companies and privately owned communication companies were studied both as to the rates they charged, as to the wages they paid, as to the conditions of employment that existed, and as to the service which the public received.

That is a pretty big prescription.

The finding of those two eminent professors are conclusive in that the privately owned and operated and managed company (a) give better service to the public, which is really why we have a communication system; (b) provide wages, working conditions, and working practices which are superior to those in the public sector.

Mr. President, anyone who has traveled knows very well that the telephone system in America is superior to any other system in the world. Try to make a telephone call in Paris. Try to make a telephone call in London. One soon realizes that the American telephone system is the most efficient telephone communication system in the world. I know it makes money. What is wrong with that? The Federal Government alone taxes 52 percent of the profits. I am not opposed to people making a legitimate profit.

By the way, the telephone system is a regulated entity. But the charge is made, "Oh, yes, but did you ever hear of anybody regulating A.T. & T.?" If the Government cannot regulate A.T. & T.—if it is not big enough to regulate A.T. & T.—then I do not think it is big enough to run a communications satellite system. The same people who, in the Government, are called upon to regulate the telephone companies are being advocated, in a sense, to establish a new communications system.

Robert Kennedy, the Attorney General of the United States, said in his testimony before the Committee on Foreign Relations that ultimately it was necessary to depend upon the integrity of the people in the Government—their ability, their competence, their integrity in enforcing the laws under which they operate.

Mr. President, the Federal Communications Commission can regulate. Certainly Congress has been derelict in the performance of its duty in not giving the FCC the tools it needs in order to do a proper job of regulation. I suggest that rather than condemn the FCC, we might very well look into our own activities.

MONOPOLY CHARGES

The charge has been made that this bill would hand over lock, stock, and barrel the control of this corporation to A.T. & T. It is charged that we are furthering a giant monopoly which is going to own and run this corporation as it pleases, free of effective controls and unmindful of the national interest.

Now, Mr. President, just what does the bill provide?

Instead of concerning ourselves with what some people say the bill provides, let us find out exactly what the bill itself does provide.

First of all, the communication common carriers may not own more than 50 percent of the voting stock of the corporation.

Mr. President, I am not an expert in this field, although I am about as much of an expert in it as are some of those who are opposing the bill. But I wish to say that one who holds only 50 percent of the stock of any corporation and has only three of its fifteen directors cannot run it. In our family we have a little corporation, but I do not have 50 percent of the stock. So I cannot run the corporation. I have a brother who has 51 percent of the stock, and he runs the corporation. He is interested in having the corporation make money; and I am not opposed to having it make a little money, either.

A.T. & T. is only one of a number of common carriers that would be eligible to purchase stock in the corporation. Testimony indicated that there are something like 8 to 10 common carriers who would be in a position to buy such stock.

Furthermore, of the 15 directors of the corporation, no one common carrier can elect more than 3. This means that A.T. & T. could have at the most only 20 percent of the membership of the board of directors of the corporation. Mr. President, if 3 members of a board of 15 can dominate the board, they really will be powerful. How anyone can say that having 3 members out of 15 on the board of directors can give one company control is beyond my grasp.

But in addition to these safeguards in the bill, it is also provided in section 304(f) that the Federal Communications Commission upon application of any authorized carrier and after notice and hearing "may compel any other authorized carrier which owns shares of stock in the corporation to transfer to the applicant, for a fair and reasonable consideration, a number of shares as the Commission determines will advance the public interest and purposes of the act."

Mr. President, I should like to have any Member of the Senate point out even one private corporation which is subject to such a requirement. This provision of the bill certainly provides protection of the public interest. If Senators wish to state that the FCC will not do its job, then I suggest that Senators introduce a bill to abolish the FCC. After all, if the FCC is incompetent, why pay its members? However, I think the FCC will do a proper job.

And the section goes on to provide:

In its determination with respect to ownership of shares of stock in the corporation, the Commission, whenever consistent with the public interest shall promote the widest possible distribution of stock among the authorized carriers.

That includes all of them. It includes Western Union, International Telephone & Telegraph, Radio Corp. of America—all of them.

So we see that under the terms of the bill before us, A.T. & T. is not going to hold the majority of the voting stock, and even the stock which it does hold is subject to sale to another competing common carrier at the direction of the FCC. And we see that A.T. & T. is not going to control the board of directors, but it is specifically limited to only three out of the fifteen board members. I would hardly call this monopoly control

of the corporation, as has been charged by some.

PROTECTION OF THE PUBLIC INTEREST

Now, Mr. President, I turn to the charge that this bill does not adequately protect the public interest. This is a serious charge; and, if true and valid, it would be reason enough for rejecting the bill.

Mr. President, I suggest that every Senator carefully examine every line of the bill, and determine whether the public interest is protected. I have done so, and I can testify that I have read this bill—not just once, but several times; and I have read much of the testimony; and I have read the reports—because, as every Senator knows, I have gone through a good deal of soul-searching in connection with this measure. I have not been happy about some of the procedures which have been proposed. This is no secret. I think some of the amendments were good ones which should have been adopted. But I think this body got itself into a position where reason went out the door, and stubbornness remained within. So we had to deal with the situation as it developed before us; and the majority leader has had to oppose some amendments which I favored. I tried to be a peacemaker, but my only reward for that was woe and trouble, for it seemed that among some there was little interest in peace-making attempts.

Mr. President, I am frank to state that the bill is not perfect. But I am convinced, as is the President of the United States, the Secretary of Defense, Mr. McNamara, the Secretary of State, Mr. Rusk, the Chairman of the Federal Communications Commission, Mr. Minow, the Attorney General of the United States, Mr. Kennedy, the overwhelming majority of the Members of the House of Representatives, the Senate Space Committee, the Senate Commerce Committee, and the Senate Foreign Relations Committee that this bill does adequately protect the public interest.

Mr. President, Senators trust the President of the United States with the very life of the Nation; and they trust the Secretary of Defense and the Secretary of State. Senators take the word of the Secretary of Defense about the country's defense needs. But will Senators refuse to trust him when it comes to dealing with a communications satellite? That sounds rather ridiculous, Mr. President. The Secretary of State can, by one word or one statement or one act, put our country into an impossible international situation. We trust him to go to Berlin and to southeast Asia and to South America. We trust our Secretary of State with our Nation's very life. Yet there are some who say that when the Secretary of State says this bill adequately protects the public intrest, he cannot be believed; he is wrong.

Mr. President, I disagree. I think the weight of the evidence is on the side of the proponents of this legislation.

First of all, although this is to be a privately owned and operated corporation, the bill provides that the President of the United States shall appoint three members of the corporation's board. It has been charged that the members of the board appointed by the President will owe their allegiance to the corporation rather than to the public. Understandably, the board members appointed by the President will desire to see the corporation succeed and be a profitable enterprise, but I cannot believe that they as Presidential appointees would be the type of people who would act contrary to the public interest. The nominations of these members will have to be confirmed by the Senate; and if Senators do not believe the nominees will protect the public interest, Senators should not vote for confirmation of their nominations. After all, the three directors who will be appointed by the President will be as many as the number to be appointed by A.T. & T.; and, Mr. President, I think the President of the United States is stronger, more powerful, and more important than the president of A.T. & T.—a great deal more important.

In this bill the powers and duties of the President in regard to the communication satellite system are spelled out in very specific and all-encompassing terms.

Here is what the act provides in section 201:

The President shall—and the word "shall" is a directive—"aid in the planning and development and foster the execution of a national program for the establishment and operation, as expeditiously as possible, of a commercial communications satellite system."

The President shall "provide for continuous review of all phases of the development and operation of such a system, including the activities of a communications satellite corporation authorized under title III of this act."

The President shall "coordinate the activities of governmental agencies with responsibilities in the field of telecommunications, so as to insure that there is full and effective compliance at all times with the policies set forth in this act."

The President shall "exercise such supervision over relationships of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of the United States."

The President shall "insure that timely arrangements are made under which there can be foreign participation in the establishment and use of a communications satellites system."

The President shall "take all necessary steps to insure the availability and appropriate utilization of the communications satellite system for such general governmental purposes as do not require a separate communications satellite system to meet unique governmental needs or if otherwise required in the national interest."

The President shall "so exercise his authority as to help attain coordinated and efficient use of the electromagnetic spectrum and the technical compatibility of the system with existing communications facilities both in the United States and abroad."

The corporation will, of course, be subject to close regulatory controls by the Federal Communications Commission. The corporation is not given a free hand to do simply as it wishes. The FCC has adequate powers of regulation and supervision.

Section 401 of the bill states that the corporation shall be deemed a common carrier within the meaning of the Communications Act of 1934 and as such shall be fully subject to the provisions of titles II and III of that act. In addition section 201 of the pending bill states specifically:

The FCC shall "insure effective competition, including the use of competitive bidding where appropriate, in the procurement by the corporation and communications common carriers of apparatus, equipment, and services required for the establishment and operation of the communications satellite system and satellite terminal stations; and the Commission shall consult with the Small Business Administration and solicit its recommendations on measures and procedures which will insure that small business concerns are given an equitable opportunity to share in the procurement program of the corporation for property and services, including but not limited to research, development, construction, maintenance, and repair."

The FCC shall "insure that all present and future authorized carriers shall have nondiscriminatory use of, and equitable access to, the communications satellite system and satellite terminal stations under just and reasonable charges, classifications, practices, regulations, and other terms and conditions and regulate the manner in which available facilities of the system and stations are allocated among such users thereof."

The FCC shall "in any case where the Secretary of State, after obtaining the advice of the administration as to technical feasibility, has advised that commercial communication to a particular foreign point by means of the communications satellite system and satellite terminal stations should be established in the national interest, institute forthwith appropriate proceedings under section 214(d) of the Communications Act of 1934, as amended, to require the establishment of such communication by the corporation and the appropriate common carrier or carriers."

The FCC shall "prescribe such accounting regulations and systems and engage in such ratemaking procedures as will insure that any economies made possible by a communications satellite system are appropriately reflected in rates for public communication services."

The FCC shall "grant appropriate authorizations for the construction and operation of each satellite terminal station, either to the corporation or to one or more authorized carriers or to the corporation and one or more such carriers jointly, as will best serve the public interest, conveniences, and necessity. In determining the public interest, convenience, and necessity the Commission shall authorize the construction and operation of such stations by communications common carriers or the corporation, without preference to either."

The FCC shall "insure that no substantial additions are made by the corporation or carriers with respect to facilities of the system or satellite terminal stations unless such additions are required by the public interest, convenience, and necessity."

The FCC shall "require that additions be made by the corporation or carriers with respect to facilities of the system or satellite terminal stations where such additions would serve the public interest, convenience, and necessity."

I also call attention to section 403 of the bill which grants authority to the Attorney General of the United States to go into Federal court to obtain such equitable relief as may be necessary or appropriate to prevent any action or practices on the part of the corporation which are inconsistent with the policy and purposes set forth in the declaration of policy of the act or which are in violation of any sections of the act.

But it has been argued by some opponents of this measure that they do not believe the Federal Government will adequately supervise this corporation even though it has such powers under the act. One of the best answers to this argument is the one made by Attorney General Kennedy in his appearance before the Committee on Foreign Relations when he said:

In the last analysis you are going to have to be dependent upon individuals, and if we do not have people of honesty and integrity and people who are performing their duties and meeting their responsibilities running the Government, whether they are Senators of the United States or the executive branch of the Government, then we might as well all dig a little trench and crawl in.

I, for one, have faith that our Government will meet its responsibilities in seeing that this corporation is adequately supervised and regulated so as to protect the public interest. I have faith in the President of the United States that he will see that this law is enforced. I have faith in our Attorney General that he will take appropriate action to safeguard the public interest. I have faith that the Federal Communications Commission under the outstanding chairmanship of Newton Minow will adequately supervise and regulate the corporation.

And now, last, but not least, I want to briefly discuss the foreign policy implications of the pending measure.

FOREIGN POLICY ASPECTS

Some critics have charged that the bill would permit a delegation to the corporation of the President's authority to negotiate international agreements affecting foreign policy. The executive branch states emphatically that no such delegation of authority is contained or contemplated. Moreover, as Secretary Rusk observed:

There would be a constitutional question whether Congress could by legislation deprive the President of any such authority.

Secretary Rusk pointed out that—

Section 201(a)(4) confirms the authority of the President to control international negotiations * * * in any way he deems appropriate, where the foreign policy interests of the United States are involved. Where he considers it necessary for the executive branch to conduct the negotiations himself he will be able to direct this.

And the Department of State's Legal Adviser, Mr. Abram Chayes, told the Foreign Relations Committee that—

The Supreme Court has said over and over again that the President says what the foreign policy interests of the United States are in those areas such as this. * * * That has been true in case after case * * * the Court takes the foreign policy of the United States from the President.

In its declaration of policy, the bill reflects an awareness of our foreign policy and national objectives. It proposes that—

Our efforts will be made in conjunction and cooperation with other countries as part of an improved global communications network which will be responsive to public needs and national objectives * * * which will contribute to world peace and understanding * * * to provide global coverage at the earliest practicable date. * * * Care and attention will be directed toward providing such services to economically less developed countries and areas as well as those more highly developed.

In this connection let me direct attention to section 403 of the act, which states specifically:

If the corporation created pursuant to this act shall engage in or adhere to any action, practices or policies inconsistent with the policy and purposes declared in section 102 (declaration of policy section) of this act, or if the corporation or any other person shall violate any provision of this act, or shall obstruct or interfere with any activities authorized by this act, or shall refuse, fail, or neglect to discharge his duties and responsibilities under this act, or shall threaten any such violation, obstruction, interference, refusal, failure, or neglect, the district court of the United States for any district in which such corporation or other person resides or may be found shall have jurisdiction, except as otherwise prohibited by law, upon petition of the Attorney General of the United States, to grant such equitable relief as may be necessary or appropriate to prevent or terminate such conduct or threat.

Mr. President, as I read this section, it gives the Attorney General of the United States ample power to see that the corporation carries out the intent of the act. If the corporation does not act in accordance with the intent of the Congress, the Attorney General can go into Federal court to obtain whatever equitable relief is necessary.

What broader authority can we give to the Attorney General in this regard? I do not see how we could possibly strengthen the language I have just read.

Section 201(a)(4) explicitly provides that—

The President shall exercise such supervision over relationships of the corporation with foreign * * * bodies as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of the United States.

The next subparagraph (5) states that the President shall "insure that timely arrangements are made under which there can be foreign participation in the establishment and use of a communications satellite system."

Furthermore, all agreements entered into between a U.S. international carrier and a foreign agency are required to be filed with the Federal Communications Commission to insure that they are in keeping with established policy and the terms of outstanding licenses and authorizations issued by the Commission. Also, according to FCC rules, each common carrier involved in foreign telegraph or telephone traffic must file with the Commission a report "covering all negotiations, written or oral, initiated or conducted during the preceding calendar month with any foreign administration, agency, or carrier for (a) the establishment of a direct or indirect circuit between the United States and any foreign or oversea point, other than temporary arrangements for emergency routing of traffic; (b) any new foreign traffic contract, agreement, concession, license, or authorization; or (c) any change or modification in any existing arrangement."

For nearly a century our international carriers have negotiated agreements with foreign agencies involving reciprocal communications rights and the use of transoceanic cables and other facilities. Although some of these agreements may have touched on foreign policy, the vast majority have been routine business arrangements. However, without exception all such agreements made pursuant to this legislation will have to be made known to the Department of State under section 402.

The foreign policy aspects of this matter have been given careful consideration.

There has been some talk about what Mr. Stevenson thinks about the bill. I got in touch with him, as did others. I insisted on at least a letter. He wrote a letter to me dated today, August 16, which reads as follows:

U.S. REPRESENTATIVE TO THE UNITED NATIONS,
August 16, 1962.

Hon. HUBERT H. HUMPHREY,
U.S. Senate.

DEAR HUBERT: I am glad to respond to your request for my views on the implications of the satellite communications bill for our policies and objectives in the United Nations.

I assure you that if I had any serious concern about this I would somehow have made my views heard long before this.

At the risk of repeating the obvious, let me emphasize that any satellite communications system in which the United States would be interested must be international in scope.

It follows that the corporation envisaged in the bill could not possibly develop a rational communications satellite system without entering into numerous bilateral and multilateral international agreements. Anything else would be a technological and political impossibility. So we start with this fact of life: Any system of communication via satellites that makes any sense depends for its existence on international cooperation and agreement. This is the heart of the whole matter.

But for what purpose do we want international cooperation and agreement in developing a workable and useful system of communications via satellites? On this, it seems to me that the language of the bill befor the Senate is clear. In the declaration of policy and purpose it is stated:

That our purpose is to establish a global communications network;

That our aim is global coverage at the earliest possible date;

That our policy is to do this in conjunction and cooperation with other countries;

That our purpose is to serve the communications needs of the United States and other countries;

That in doing so care and attention will be directed toward providing such services to economically less developed countries and areas; and

That the system herein envisaged should be so designed as to contribute to world peace and understanding.

It therefore seems to me that the bill explicitly recognizes that the system is to be global in scope, including expressly the less developed areas; that it ties this scientific wonder directly to the basic aim of U.S. foreign policy which, of course, is to "contribute to world peace and understanding;" and that international cooperation and agreement is the sine qua non of the system.

These clear commitments to policy and purpose are given teeth in section 201 where the President is directed to insure the realization of these policies and the FCC is directed, among other things, to "insure that all present and future authorized carriers shall have nondiscriminatory use of and equitable access to, the communications satellite system."

While I think the bill should have made precise reference to the United Nations, its language and intent are consistent with the relevant part of Resolution 1721 adopted by the General Assembly of the United Nations last December. Included in that long and detailed resolution are these words:

"Communication by means of satellites should be available to the nations of the world as soon as practicable on a global and nondiscriminatory basis."

That the policy set forth in the bill and the policy enunciated by the General Assembly fit each other so neatly is not entirely coincidental. The U.S. delegation played the leading role in drafting this resolution and supporting its adoption by the assembled nations of the world. Speaking to the General Assembly on December 4, 1961, I stated:

"The United States wishes to see this facility made available to all states on a global and nondiscriminatory basis. We conceive of this as an international service. We would like to see United Nations members not only use this service, but also participate in its ownership and operation if they so desire."

The similarity of purpose—and of language—is again clear.

I understand that some doubts have been expressed as to whether, however clear the language may be, the proposed corporation can be required to give effect to national policy, especially as it bears on foreign participation in an ultimate international system. Once again, it seems to me that the language of section 201 is adequate when it directs the President to "insure that timely arrangements are made under which there can be foreign participation in the establishment and use of a communications satellite system."

While, as I say, specific reference to the United Nations has been omitted, section 201(a)(4) refers to the authority of the President to supervise relations of the corporation with "foreign governments or entities or with international bodies." The United Nations and its family of agencies are, of course, "international bodies."

The role of one of those international bodies—the International Telecommunications Union—is at least tacitly recognized in the bill itself in section 201(a)(7) which directs the President to "so exercise his authority as to help attain coordinated and efficient use of the electromagnetic spectrum"—which is something that can be done only through the ITU. And the hearings have been replete with specific references to the primary role in store for the ITU.

So I am satisfied that the role of the United Nations in a satellite communications system is explicitly intended by the language and legislative history of the bill.

Let me add that in the United Nations General Assembly and its Outer Space Committee, in the International Telecommunications Union, and in bilateral conversations with the Soviet Union and other interested countries, the United States has and will promote the objective which it successfully advocated in the General Assembly—that "communications by means of satellites should be available to the nations of the world as soon as practicable on a global and nondiscriminatory basis."

The record seems clear that the United States has been committed—since year 1 of the space age—to a policy of seeking the maximum amount of cooperation in outer space for which we can obtain international agreement, and that policy guides our actions on space matters before the United Nations and its family of agencies. I believe that the progress that has been made in the United Nations on this complex and delicate subject is quite hopeful, and I repeat that the United States will continue to press forward in line with our own policy and in the spirit of the United Nations resolution I have just been describing.

I conclude that the legislation before you provides the President and the executive branch of this Government with adequate control and influence to insure that the instrument proposed here can be fitted or adapted to an international system when we learn enough to design one.

Sincerely yours,

ADLAI E. STEVENSON.

Mr. President, this legislation is in the public interest. This legislation is designed to pool the resources of America and put us into orbit, so to speak, in a communications satellite system.

Mr. MORSE. Mr. President, does the Senator from Minnesota still refuse to yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. It is very interesting that Mr. Stevenson was not brought by the administration down here to take his examination in regard to his position on this bill or to square it with the statement made before the United Nations on December 21, 1961, when he offered the U.S. declaration resolution before the United Nations; and the senior Senator from Oregon asked that he be produced for examination, and I want to say he could not come.

Mr. HUMPHREY. Mr. Stevenson works under the authority of the President of the United States and the Secretary of State. When the President has testified by letter, and the Secretary has testified by the hour, I do not think it is necessary to bring him here also.

Mr. MORSE. I could not disagree with the Senator more.

Mr. HUMPHREY. He says it is in the interest of the United States and its requirements in the United Nations. Any arguments to the contrary are spurious and have no foundation in fact.

Mr. MORSE. The Senator may say they are, but that does not make them spurious.

Mr. HUMPHREY. Mr. President, in conclusion, I submit that this measure as proposed by the President of the United States, reviewed, studied, and debated by four separate standing committees of the House and Senate, passed overwhelmingly by the House, and supported without reservation in its present form by the administration, is in the national interest and will make it possible for the United States to move ahead to participate in a global communications system.

I am convinced that this bill gives the President ample authority to supervise and control any and all dealings of the corporation which affect our Nation's foreign policy, that adequate safeguards are written into the bill to prevent any single company from gaining monopolistic control over the satellite corporation, and that the public interest is protected by the powers given to the Federal Communications Commission and to the Attorney General of the United States.

Convinced, as I am, that the national interest will be promoted by such a communication satellite system and that private industry has the means and capability of doing the job that has to be done under adequate governmental supervision and regulation, I support this bill as a major step forward in mankind's advancement in the field of communications.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MORSE. He has used all of his time, without question, let the RECORD show.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. KEFAUVER. Mr. President, the Senator from Minnesota would not yield to me, but I challenge the Senator from Minnesota to point out one place in this bill where the taxpayers or the Government get back anything whatsoever for the investment they have made in research and development, both in rockets and satellites. There is not even a provision for preferential rates to the Government of the United States.

This is a giveaway bill with no compensation back to the Government even in a reduction of rates.

The Senator from Minnesota has spent much time talking about research and development and what has been done in other fields, such as fertilizer, seeds, jet planes, but those have been made available to everybody. One does not have to join a monopoly in order to get to use it. The result of research in this field is being exclusively giver to a private monopoly, which we have demonstrated, in my opinion, will be dominated by A.T. & T.

In order to try to prevent a little of that domination, I have an amendment which I send to the desk and ask to have read. It is a very important one. I refer to my amendment identified as "8-11-62—WW."

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. It is proposed on page 38, following line 14, insert the following and renumber the succeeding sections accordingly.

SEC. 403. The Communications Act of 1934, as amended, is amended as follows:

(1) paragraph (2) of subsection (c) of section 222 of said Act is hereby repealed.

(2) Notwithstanding any provision, in any consolidation or merger of domestic telegraph carriers heretofore approved by the Federal Communications Commission pur-

suant to said section 222 for the divestment of the international telegraph operations theretofore carried on by any party to the consolidation or merger and notwithstanding any order heretofore made by said Commission with respect to such divestment the consolidated or merged carrier resulting from any such consolidation or merger shall not be under any requirement for the divestment of its international telegraph operations.

Mr. KEFAUVER. Mr. President, this is a most important amendment, as are all the amendments we have offered, even though they have been stricken down by motions to table. In order that some Senators may be present, since they may be interested in the amendment, to which every Senator ought to agree, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PELL in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

[No. 193 Leg.]

Aiken	Goldwater	Miller
Allott	Gore	Monroney
Bartlett	Gruening	Morse
Beall	Hart	Morton
Bennett	Hartke	Mundt
Boggs	Hickenlooper	Muskie
Bottum	Hickey	Neuberger
Burdick	Hill	Pastore
Bush	Holland	Pearson
Byrd, Va.	Hruska	Pell
Byrd, W. Va.	Humphrey	Prouty
Cannon	Jackson	Proxmire
Capehart	Javits	Randolph
Carlson	Johnston	Robertson
Carroll	Jordan, N.C.	Russell
Case	Jordan, Idaho	Saltonstall
Chavez	Keating	Scott
Church	Kefauver	Smathers
Clark	Kerr	Smith, Mass.
Cooper	Kuchel	Smith, Maine
Cotton	Lausche	Sparkman
Curtis	Long, Mo.	Stennis
Dirksen	Long, Hawaii	Talmadge
Dodd	Long, La.	Thurmond
Douglas	Magnuson	Tower
Eastland	Mansfield	Wiley
Ellender	McCarthy	Williams, N.J.
Engle	McClellan	Williams, Del.
Ervin	McGee	Yarborough
Fong	McNamara	Young, N. Dak.
Fulbright	Metcalf	Young, Ohio

The PRESIDING OFFICER. A quorum is present.

Mr. KEFAUVER. Mr. President, I ask for order in the Senate.

The PRESIDING OFFICER. The Senate will be in order.

Mr. KEFAUVER. Mr. President, I hope that Senators will listen to me for only a few minutes. The amendment is an important one. I think it is an amendment that every Senator ought to be glad to agree to. I testified in support of the amendment before the Committee on Commerce and submitted the amendment for the consideration and judgment of the Committee on Commerce.

The amendment was proposed by Mr. Barr, the vice president of Western Union, before the Committee on Commerce, before the Small Business Committee, and before the Antitrust and Monopoly Subcommittee. Senators who were present then will remember that in 1943——

Mr. PASTORE. Mr. President, may we have order so that we may hear the speaker?

The PRESIDING OFFICER. The Senate will be in order.

Mr. KEFAUVER. In 1943 there were two telegraph companies in the United States. A.T. & T. had not entered the private line telex field at that time. Postal Telegraph was in bad shape. Western Union agreed to take it over and merge the two companies. But in order to make possible the merger of the companies, it was necessary to enact a law to get around the antitrust laws.

Public Law 4 of the 78th Congress was then passed authorizing the merger of Western Union and Postal Telegraph. But over the objection of Western Union, there was forced into the bill at that time a second section which required, as a condition of the merger, that Western Union give up its international operations. Western Union at that time, as now, had some international telegraph operations.

The PRESIDING OFFICER. The Senate will be in order.

Mr. KEFAUVER. Mr. President, for 19 years Western Union has been under the ax of divestiture. They have not been able to find anyone who would be able to take over the business, and who would be satisfactory. They make very little money out of their oversea business, but they would like to keep it.

It is true, as Mr. Barr has pointed out before the committees, that A.T. & T. has no restriction on it for voice or telegraph business in the United States. Since 1945 A.T. & T.'s telegraph business in the United States has increased from 19 to 45 percent of all the telegraph business in the United States. A.T. & T. has no restrictions upon it for telegraph business overseas or for voice business overseas. It is the only company that sends voice messages overseas from the United States. As Mr. Barr has pointed out, it is utterly unfair to allow a large company to have no restrictions on it for voice or telegraph domestically or overseas, and at the same time to require a small company, Western Union, which is offering a little competition on telegraph business—none on voice business—to go through with this divestiture. They have made a genuine effort to dispose of their oversea business, but they have not been able to do so.

Western Union is the oldest telegraph company in the world. It was formed 103 years ago. It is a good company. It has fine management. It has done much in research and development. It has pioneered in the telegraph business.

Western Union cannot and would not be interested in going into the satellite corporation if it has to be divested of its oversea business, as is required by the second section of the act of 1943.

A.T. & T. has assets amounting to $27 billion. Western Union has assets amounting to $315 million. Are we going to impose no restrictions on the giant with respect to voice and telegraph business domestically and overseas, and at the same time require a small competitor, one one-hundredth, approximately, the size of A.T. & T., to divest itself of its oversea business? This amendment would provide a little competition. That is what we need to have. Western Union could then go into the voice business, if they could do oversea business and use the satellite. They cannot at the present time, because they do not have the facility. A.T. & T. will not let them use their cables. Therefore, by direction of Congress, they will have to go out of the oversea business. It is not fair. It is not right. We need a little competition in this field.

I was looking in the Fortune directory this morning for the comparable sizes of these two corporations. I find under utilities that A.T. & T. is No. 1 in everything. It is No. 1 in income, No. 1 in the business it does. It earns a net profit on investment, after taxes, of more than 9 percent. I looked down the list to try to find Western Union. It is not listed in Fortune's 500 large corporations. However, I have an annual report by Western Union. This little company has spent more than $200 million in the last few years in modernizing its plants and its operations, getting in a position to do better business.

It will have to give up its oversea business. A little competitor will have gone by the wayside. It cannot get into the satellite corporation, because it would have no business there. Mr. Barr says they want to, but there would be no use of their getting into the satellite corporation if they could not send messages from here to Europe or somewhere else.

So I say that in the name of competition, in the name of fairness between these companies, in the name of trying to help the little company have some advantages that the larger company has, this restriction in the 1943 law ought to be removed. That is the purpose of the amendment.

Mr. MAGNUSON. Mr. President, what the Senator from Tennessee says with regard to the history of the restrictions on Western Union is entirely correct. My committee has had this matter before it on three or four and maybe on five or six occasions. In fact, I introduced a bill by request on three or four occasions. Every time when we had a hearing on this matter we found that the Attorney General's office opposed us, on the ground that this might have some semblance of monopoly.

Western Union has tried, as the Senator from Tennessee has said, to live up to the divestiture clause for many years. They honestly and conscientiously have tried to sell or lease or get rid of their oversea communications system. They have never been able to do so. It must be said, however, that A.T. & T. at one time, about 1½ or 2 years ago, made an offer, under which A.T. & T. would lease some of its cables. I do not know what happened. I do not know whether they came to a meeting of minds.

There is no opposition to Western Union within the common carriers to proceed to use their oversea system. However, there is this order of divestiture. The Attorney General always opposes the kind of proposal I have in mind. They regularly oppose it, because this law was stuck in some years ago at a time when the circumstances were quite different. I am familiar with the situation.

I suggest to the Senator from Tennessee, since there is the rule of germaneness when cloture is invoked, there

might possibly be a point of order made against the amendment for germaneness, and therefore, because I am wholeheartedly in favor of what he is trying to do, would suggest that the Senator from Tennessee—and I will join him—introduce his amendment as a bill. It will be promptly referred to the Senate Committee on Commerce.

I wish to assure him, and I know I can give the assurance of the distinguished Senator from Rhode Island also, that we will hold hearings on the bill. We do not need many hearings. I am sure that a majority of the committee members are in favor of it. We will have our next meeting on Tuesday, and I hope we can get it out of committee promptly at the next meeting. I will make that promise. I would ask the Senator if he does not wish to introduce the bill as such and ask for its appropriate reference, regardless of the action on his amendment.

Mr. KEFAUVER. Let me ask the Senator from Washington if this is not true——

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington?

Mr. MAGNUSON. Mr. President, will the Senator from Tennessee first let me introduce the bill?

Mr. KEFAUVER. Very well.

Mr. MAGNUSON. I introduce the bill for appropriate reference.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3646) to amend the Communications Act of 1934, as amended, relative to mergers of domestic telegraph carriers, introduced by Mr. MAGNUSON (for himself, and Senators KEFAUVER and LAUSCHE), was received, read twice by its title, and referred to the Committee on Commerce.

Mr. KEFAUVER. I ask the Senator from Washington if this is not the case: There has been ample testimony in the present hearing in connection with the satellite communications measure, in addition to all the other testimony that the Committee on Commerce has taken. I call attention to the fact that the hearings of the Subcommittee on Monopoly contain some 35 or 40 pages.

The representatives of Western Union testified at great length before the Committee on Commerce. So the question has been discussed in connection with the bill now before the Senate. The amendment is entirely germane, because the Federal Communications Commission, under the act, has the obligation to determine who will be a carrier entitled to belong to the corporation. There are sections which deal with the Federal Communications Act, and this is simply another amendment relating to the eligibility of who can participate in the satellite system.

There is no reason for futher delay. However expeditious the handling of such a bill might be, it would not be passed in this Congress. What would that do to Western Union? Western Union is under the ax right now to divest. It is important that Western Union have an opportunity to invest money in the satellite corporation, if the corporation is to be formed. Otherwise, Western Union could not invest money; it would have no incentive to invest money, so as to become a part of the corporation, because it would have no international business. That is not fair, when a little company is trying to plan for the future, not knowing whether next month it will be in operation or will have its oversea business taken away from it.

I think the time to act on the amendment is today. The record before us is clear. We have waited 19 years. We have a bill before us to which the amendment would be germane. Western Union will be needed as a member of the corporation, if the corporation is to be formed. I think we should take such action in the name of competition—and believe me, I would not be for anything unless it would promote competition, and this arrangement would. I do not want to see a little competitor pushed out of the picture. I think the amendment ought to be adopted now.

Mr. MAGNUSON. I do not think Western Union is a little company. It may be small in comparison with A.T. & T., but Western Union is a very healthy, large American company.

Mr. KEFAUVER. It is one one-hundredth the size of A.T. & T.

Mr. MAGNUSON. I have known of this situation for many years—all the years I have been a member of the Committee on Commerce. The members of the FCC have been very sensible and wise about this proposal, although at any time they could have moved in on Western Union to ascertain what had been done. They have not done so, because they know that Western Union has honestly tried to divest itself. I do not believe the present FCC will do anything about the situation until Congress has settled the question.

Actually, one of the reasons why the Committee on Commerce did not approve the proposal after the Attorney General had appeared before us was that we believed—perhaps wrongly so—that the Subcommittee on Antitrust and Monopoly, of which the Senator from Tennessee is the chairman, would positively differ with us and say it was monopoly.

Mr. KEFAUVER. I went before the Committee on Commerce and testified for the amendment. So I would never have jumped down the committee's throat.

Mr. MAGNUSON. The Senator from Tennessee, after examining into the question, has discovered what I have long believed; namely, that this proposal will work all right. But it is a piece of proposed legislation that is somewhat foreign to the bill. I am glad that this colloquy has taken place, because I believe the members of the Committee on Commerce who are present will understand and go along with the proposal.

I am sure it will be favorable to the Western Union people. I do not know how many discussions I have had with them. I have observed that all the other common carriers have tried to be helpful in this situation. I think the Committee on Commerce would be glad to proceed with the proposal forthwith. There has been no House action on it. There would not be any if we put it on this bill. The House would have to act on it, too. I think Chairman HARRIS would like to have a look at it, but I would almost be willing to wager that with the Subcommittee on Antitrust and Monopoly agreeing—I do not know whether the Attorney General would still agree or not—we could have this action taken. It is a worthy thing to do.

Mr. LAUSCHE. Mr. President, I should like to join as a cosponsor with the Senator from Washington of the bill which he introduced a moment ago.

Mr. MAGNUSON. I thank the Senator from Ohio.

Mr. LAUSCHE. It seems to me that the Attorney General and others who are in a position to compel divestiture would give recognition to the purpose of the Committee on Commerce to act on the bill.

Mr. MAGNUSON. I thank the Senator from Ohio.

Mr. KEFAUVER. Mr. President, I should like to have the floor for 1 minute.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. KEFAUVER. It is right, it is proper that this amendment be taken up at this time. There is legislative background in the Senate. I see no reason, while we are dealing with who are to be eligible, why we cannot make it clear that Western Union will have an opportunity to be a part of the corporation so far as its oversea business is concerned. I see no reason why the amendment should not be agreed to right away, while the bill is before the Senate for consideration.

Mr. PASTORE. Mr. President, I subscribe to everything that has been said by the Senator from Washington (Mr. MAGNUSON]. I was one of those who participated in most of the hearings which had to do with the question of divestiture. There is a little opposition. I would not say it is widespread or substantial, but there is some. There is opposition on the part of the Attorney General. The question was discussed in an informal way, not as a result of any proposed legislation having been introduced. I am glad that the bill has been introduced today. This matter has not been cleared by the House. I do not believe we can act on this amendment at this time. I do not think we will be doing a disservice to Western Union, which I think needs a lot of consideration; but we will be doing a greater disservice to the bill. If the amendment were to go to conference, it would kill the bill.

Therefore, I move to table the amendment.

Mr. KEFAUVER. Mr. President, will the Senator withhold his motion to table?

Mr. PASTORE. I withhold my motion to table.

Mr. KEFAUVER. I simply wish to say that the House is familiar with the proposal. There was testimony before the House about it, and Western Union apparently does not believe it will hurt their chances, because their representatives appeared before House and Senate

committees and asked to be included; to have the limitation removed.

Mr. PASTORE. Mr. President, I move to lay the amendment on the table.

Mr. KEFAUVER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Colorado [Mr. CARROLL], the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from California [Mr. ENGLE], the Senator from Wyoming [Mr. McGEE], and the Senator from Utah [Mr. MOSS] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Arizona [Mr. HAYDEN] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Nevada [Mr. BIBLE] and the Senator from Mississippi [Mr. EASTLAND] would each vote "yea."

On this vote, the Senator from Colorado [Mr. CARROLL] is paired with the Senator from Arizona [Mr. HAYDEN]. If present and voting, the Senator from Colorado would vote "nay," and the Senator from Arizona would vote "yea."

On this vote, the Senator from Wyoming [Mr. McGEE] is paired with the Senator from Utah [Mr. MOSS]. If present and voting, the Senator from Wyoming would vote "yea," and the Senator from Utah would vote "nay."

On this vote, the Senator from Pennsylvania [Mr. CLARK] is paired with the Senator from California [Mr. ENGLE]. If present and voting, the Senator from Pennsylvania would vote "nay," and the Senator from California would vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER], the Senator from New Hampshire [Mr. MURPHY] and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent and, if present and voting, would each vote "yea."

The Senator from Kentucky [Mr. MORTON] is detained on official committee business.

The result was announced—yeas 67, nays 20, as follows:

[No. 194 Leg.]

YEAS—67

Aiken	Ervin	Mansfield
Allott	Fong	McCarthy
Beall	Fulbright	McClellan
Bennett	Hartke	Metcalf
Boggs	Hickenlooper	Miller
Bottum	Hickey	Monroney
Bush	Hill	Mundt
Byrd, Va.	Holland	Muskie
Byrd, W. Va.	Hruska	Pastore
Cannon	Humphrey	Pearson
Capehart	Jackson	Pell
Carlson	Johnston	Prouty
Case	Jordan, N.C.	Proxmire
Chavez	Jordan, Idaho	Robertson
Church	Kerr	Russell
Cotton	Kuchel	Scott
Curtis	Lausche	Smathers
Dirksen	Long, Mo.	Smith, Mass.
Ellender	Magnuson	Smith, Maine
Sparkman	Tower	Young, N. Dak.
Stennis	Wiley	Young, Ohio
Symington	Williams, N.J.	
Thurmond	Williams, Del.	

NAYS—20

Bartlett	Gruening	McNamara
Burdick	Hart	Morse
Cooper	Javits	Neuberger
Dodd	Keating	Randolph
Douglas	Kefauver	Talmadge
Goldwater	Long, Hawaii	Yarborough
Gore	Long, La.	

NOT VOTING—13

Anderson	Eastland	Moss
Bible	Engle	Murphy
Butler	Hayden	Saltonstall
Carroll	McGee	
Clark	Morton	

So the motion to lay on the table was agreed to.

Mr. YARBOROUGH. Mr. President, I call up my amendment identified as "8-13-62—IIII," and ask that it be stated. It is the first amendment of mine which I have called up.

The PRESIDING OFFICER. The amendment of the Senator from Texas will be stated.

The LEGISLATIVE CLERK. On page 25, beginning with line 21, it is proposed to strike out all to and including line 26, and insert in lieu thereof the following:

(6) take all necessary steps to insure the availability of the communications satellite system for use by any department or agency of the United States whenever that department or agency determines such use to be necessary or desirable for the performance of any of its functions; and.

Mr. YARBOROUGH. Mr. President, I think this is a very important amendment. I shall take only a few minutes to present it.

This amendment strikes at the heart of the matter. For days we have heard much debate about whether the bill is a giveaway or is not a giveaway. The bill as drawn is an enforced giveaway, by the Government of the United States, of billions of dollars.

My amendment would not impede one whit the operations of the corporation. I have no objection to having NASA shoot up satellites for A.T. & T. or to having A.T. & T. operate the satellites. My objection to the bill, as drawn, is that it forces the Government to give to the corporation billions of dollars.

The proposed amendment would leave it optional with the U.S. Government as to the extent that it wanted to use the space satellite system.

As the bill is drawn, section 201(a)(6) provides that the President shall "take all necessary steps to insure the availability and appropriate utilization of the communications satellite system for such general governmental purposes as do not require a separate communications satellite system to meet unique governmental needs."

It was testified that unique governmental needs do not include even military needs; that, under the bill as drawn, the U.S. Government would be forced to utilize the satellite system for its U.S. Information Service, and for anything else the Government used except something like secret coded messages, and that, if they were not secret, even the military messages would have to be sent over this system.

Attention has been called to the fact that Mr. Edward Murrow, of USIA, before the Commerce Committee on April 24, and before the Foreign Relations Committee last week, testified that to use this satellite system for 1½ hours a day for a year would cost $900 million to the people of the United States under existing tariffs.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. Not in my time.

Mr. LAUSCHE. In my time?

Mr. YARBOROUGH. Mr. President, a parliamentary inquiry. May I yield in the Senator's time without losing the floor?

The PRESIDING OFFICER. The Senator from Texas may yield, but he would have to be re-recognized afterward.

Mr. YARBOROUGH. I would rather proceed.

Mr. LAUSCHE. The question is very simple.

Mr. YARBOROUGH. I did not vote for this guillotine. The Senate voted it, and I am under a ruling under which, if I yield, I would lose the floor. I decline to yield.

Mr. President, as the amendment is drawn, it provides that the President shall:

(6) take all necessary steps to insure the availability of the communications satellite system for use by any department or agency of the United States whenever that department or agency determines such use to be necessary or desirable for the performance of any of its functions.

Under the language of the amendment as drawn, the U.S. Government could still use the satellite system. The difference between the bill and this amendment is that the amendment would not mandatorily require that the President use this system to the exclusion of any other system.

The meat in the coconut was shown again today when the senior Senator from Rhode Island [Mr. PASTORE] engaged in a colloquy with another Senator and he qualified the statement as to what the satellite could or would do. Finally the Senator from Rhode Island said, "If they do not do it, we can shoot our own satellite up." He admitted that, under the language of the bill, the U.S. Government could not shoot up and use its own satellite.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I wrote down what the Senator from Rhode Island said. The Senator from Rhode Island said, "If they do not do it, we can shoot our own." It is an admission that the Government put up its own satellite under the terms of the bill as drawn.

Mr. PASTORE. Will the Senator yield?

Mr. YARBOROUGH. No. I cannot yield without losing the floor, under the ruling of the Chair.

Mr. PASTORE. Of course the Senator can.

Mr. YARBOROUGH. That is the statement the Senator from Rhode Island made. It will be in the RECORD tomorrow, if it is still there as spoken this morning.

That is the vice of the language of the proposed bill. I am not opposed to private enterprise. I am opposed to shackling the hands of the Government in this gigantic giveaway of the property of the American people.

I hold in my hand a letter from the Library of Congress, dated June 22, 1962. I asked the Library for a tabulation of the U.S. Government land grants to the railroads and canal companies. The total to the railroads was 132,803,493 acres. The total to the canal companies was something over 4½ million acres of Government grants of land to private companies.

I ask unanimous consent that the letter be printed in the RECORD at this point.

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

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D.C., June 22, 1962.

To: Hon. RALPH YARBOROUGH.
From: Economics Division.
Subject: Land grants to railroads and canals.

As requested by Miss Weiser of your office by telephone June 21, 1962, we are listing herein, in partial response to your request, a summary of the acreage received by railroads as a result of Federal land grants. The information is based on reports of the railroads and on records of the General Land Office, compiled by the U.S. Coordinator of Transportation and reported in "Public Aids to Transportation," volume 2. The net acreage received up to June 30, 1933, as found in Government records and to December 31, 1927, as reported by the railroads, after deduction of acreage lost by forfeiture, conflicting title or error in patenting, is given for railroad systems as they existed in 1938. The original recipients of the grants can be included in the more detailed data on which we are working and which we will complete as soon as possible.

Railroad systems	Acreage based on Federal records	Acreage based on railroad reports
Atlantic Coast Line	1,843,922	3,957,986
Chicago & North Western	7,302,238	7,429,902
Chicago, Burlington & Quincy	3,292,749	3,293,443
Chicago, Milwaukee, St. Paul & Pacific	1,453,565	1,453,565
Chicago, Rock Island & Pacific	538,882	538,882
Chesapeake & Ohio	513,152	513,472
Canadian Pacific (Duluth, South Shore & Atlantic, etc.)	1,273,960	1,322,519
Canadian National (Port Huron & Lake Michigan RR. Co., etc.)	6,468	6,468
Illinois Central	4,630,453	4,625,072
Missouri Pacific	954,958	1,001,783
Missouri-Kansas-Texas	576,683	572,081
New York Central	741,131	744,827
Pennsylvania	846,679	850,960
Seaboard Airline	1,318,913	1,346,533
Southern Ry	2,263,931	2,263,931
Southern Pacific	761,681	761,681
St. Louis-San Francisco	1,540,394	1,546,828
Union Pacific	18,492,850	18,560,578
St. Joseph & Grand Island Ry. Co	486,809	455,764
(Following are unadjusted amounts)		
Atchison, Topeka & Santa Fe	14,886,795	16,242,842
Chicago, Rock Island & Pacific (branch)	184,658	184,658
Great Northern	2,823,145	2,861,034
Missouri Pacific	2,794,199	2,185,291
Northern Pacific	39,843,053	41,076,749
Southern Pacific (western division)	11,432,039	11,350,811
Southern Pacific RR. Co	6,793,144	6,899,605
Total, Federal grants	127,337,284	132,803,493
(Total, unadjusted grants)	(78,452,466)	(81,512,218)

Canals were built and owned by the States for the most part from the beginning of canal building. New York and New Jersey provided State aid as did others later. However, there were some grants for internal improvements made to the States by the Federal Government, some of which were used for canal building, and some grants were designated by the Federal Government for the purposes of specified canals. Some of the canal land grants by the Federal Government between 1824 and 1866 provided for 90 feet of land on either side of a proposed canal but the States determined the routes, etc., for the most part. Distribution of grants for canal building is summarized by Benjamin H. Hibbard in "A History of the Public Land Policies," published in 1924, as follows:

	Acres
Indiana	1,480,408.87
Ohio	1,204,113.90
Michigan	1,251,235.85
Wisconsin	338,626.97
Illinois	324,282.74
Total	4,598,688.32

ESTHER J. DUDGEON,
Analyst in Transportation and Communications.

Mr. YARBOROUGH. And the Government in return for these land grants got lower rates. It received the right to haul its troops free of charge over the roads and to fix the rates for carrying the mail. Both were later revised. But the present giveaway bill has absolutely no provision for reduced rates for Government use for these space satellites. The Government must pay through the nose the rates fixed by the monopoly corporation.

Mr. President, a parliamentary inquiry. How much time have I left?

Mr. President, a further parliamentary inquiry. Is the time consumed in finding out how much time I have left taken from my time?

The PRESIDING OFFICER. The answer is "No." The Senator from Texas has 10 minutes left.

Mr. YARBOROUGH. I yield myself 3 minutes.

The examples of giveaways by this Government have fallen into three categories. I am reading only a few sentences from research I have had done by the Library of Congress. I have given the example of one kind of giveaways, those involving the public domain, or the natural wealth of America, such as land grants to railroads. Land grants to two of them involved over 50 million acres, nearly half of the total, and they were made under laws passed in 1862 and 1864, when the country was at war, and the legislation was slipped through. We are not at war now. We have time to study the legislation. We ought to carefully consider and deliberate it.

The second category of giveaways include those involving public investment, or the monetary wealth of America. The third category of giveaways include those involving the monopoly power, or the use of public authority to promote private gain.

In this case we do not have a giveaway involving the monopoly power only; in this type of giveaway we take the public investment, of the monetary wealth of the people, taken from them in the form of taxes to be given to the corporation by this section 201(a)(6) of the act.

We are taking billions of dollars a year from the taxpayers of the country and saying in this bill that the Government cannot shoot up its own satellites and cannot use such satellites. If we put up a satellite at 22,000 miles, we cannot use it. It could only be used by the Government if shot up by NASA, the use given to the private corporation, then sold back to the Government.

I want to read a couple or more sentences from the study by the Library of Congress:

> In the instances I have cited, before the War Between the States, at the beginning, these giveaways numbered the dollars involved in the thousands, then in the tens of thousands, and in the hundreds of thousands. More recently the amounts asked for began in the millions of dollars and extended to the tens of millions and hundreds of millions. However, this has been a process of relatively long growth, extending over decades. It is only when we come to the matter now before us that we begin a giveaway program with amounts of Federal money running into billions of dollars.

Look at the value of the land that was granted to the railroad companies—a dollar and a half an acre—peanuts as compared to this giveaway.

I continue from the report of the Library of Congress:

> If the money which we obtain from all of the people is to be expended, let it be expended in the interests of all of the people, and not given away to satisfy the desires of private interests motivated primarily by a desire for private gains. Let us stop this giveaway here, and keep the control of the satellite program in the hands of the Federal Government, and the hands of the people.

If the bill passes, at least this giveaway should be stopped, and my amendment will help. Mr. President, it is claimed by the bill's advocates that no giveaway is involved. Not only have the bill's opponents stated, on their own research, that this bill was a gigantic giveaway; now, I have proven, by a research paper from the Library of Congress, that this is the first billion- or multibillion-dollar giveaway in the history of the U.S. Government. It dwarfs all other giveaways; it is larger than all others combined.

Mr. President, a parliamentary inquiry. How much time have I left?

The PRESIDING OFFICER. The Senator from Texas now has 15 minutes.

Mr. YARBOROUGH. Mr. President, I yield myself 3 more minutes.

I referred briefly a moment ago to the fact that two big railroad grants were made in time of war, when people could not devote their attention to proposed legislation.

The first of the really major land grants for railroad purposes came with the passage of the Pacific Railroad bill in 1862. This bill gave to the Union and Central Pacific Railroads 10 alternate sections per mile of track within 10 miles of either side of the right-of-way. This allotment was subsequently increased in 1864 to double the acreage of the grant, extending the limits from 10 to 20 miles on each side of the track. In both cases

the railroad company was granted a 400-foot right-of-way and allowed the use of Government timber along the right-of-way for use in the construction of the railroad.

The largest land grant of 41 million acres was made to the Northern Pacific Railroad in 1864. It allowed 10 sections per mile in the States and 20 in the territories along a route from Lake Superior to Puget Sound. Other important grants were one to the Union Pacific Railroad which was chartered to build a railroad from Missouri and California following the route of the Santa Fe Trail, and a grant to the Southern Pacific in 1871 for a railroad from New Orleans to California. In all, approximately 131 million acres of land was transferred from the ownership of the Federal Government to that of the railroad companies. In return the United States only stipulated that it should be allowed to ship troops over the railroads built free of charge and retain the right to fix the rates for the U.S. mails to be carried by the railroads. In actual practice, because the land-grant railroads protested even those modest requirements, the Government paid 80 percent of the commercial price for the carriage of the mails and 50 percent of that price for the carriage of Government troops and property.

Mr. President, the amendment I offer would not impede private development. It would not impede the chartering of the corporation. It would not impede free enterprise. It is not an amendment for Government ownership. It would merely make unnecessary the mandatory giving away by the United States of billions of dollars, under this bill to the private corporation.

The pending bill without my amendment will restrict free enterprise by putting shackles on the Government and on the hands of the people of the United States. It represents an impediment to national progress, because it would shackle our scientific effort, and the efforts of our Government and of our people, thereby making it impossible to go forward as rapidly as necessary in competition with the Russians, with the Soviet Union.

If ever there was a time in history when we needed to stop to appraise our objectives, that time is now, since the Russians have put into orbit two spacemen, two astronauts or cosmonauts, as they call them. One has gone a million and a half miles. The other has gone a million and a quarter miles. The trip of 1½ million miles is equal to a trip to the moon three times and back.

Despite this scientific breakthrough, we have before us a bill which would shackle the U.S. Government in its attempt to improve its communications in space.

I submit that my amendment is reasonable, clear, and easy to understand. I hope it will be adopted in the interest of the Government and of the people of the United States. I yield the floor.

Mr. LAUSCHE. Mr. President, I wanted to ask the Senator from Texas a question. Is it not a fact that last Saturday an amendment was adopted to the bill which changed the language and rendered what was read by the Senator from Texas inaccurate?

The original language in the bill provided that "the President shall" see to it that the Government would have available the satellite services and would use them except when "unique governmental needs" required a separate system. Last Saturday that language was amended to provide that the Government should use the facilities except when a separate communications satellite system was required "to meet unique governmental needs," and then we added "or if otherwise required in the national interest."

Mr. YARBOROUGH. Yes.

Mr. LAUSCHE. The addition of the language "or if otherwise required in the national interest" contemplated that if conditions should occur that the Government should need this service for other than unique purposes it could set up its own system. I submit that since the premise upon which the Senator from Texas has built his argument is different from the one he related his whole argument falls to the ground.

Mr. YARBOROUGH. Mr. President, I ask the floor on my own time, to answer this inquiry.

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oklahoma will state it.

Mr. KERR. How much time does the Senator from Texas have remaining?

The PRESIDING OFFICER. The Senator from Texas has 16 minutes remaining. [Laughter.]

Mr. KERR. Mr. President, a parliamentary inquiry. How could the Senator have 16 minutes remaining, after he has used 15 minutes of his last 12 minutes. [Laughter.]

Mr. YARBOROUGH. Mr. President, in fairness to those who are at the desk, I think I should state that I asked how much time I had before I started to speak the first time, and I was informed I had 30 minutes. I feel certain that the first answer by the Presiding Officer, that I had 10 minutes remaining, was in error. When I began I checked at the desk and I was told I had 30 minutes, before I started to present the amendment.

Mr. President, I yield myself 1 minute, to answer the distinguished Senator from Ohio.

We have considered that point. It was discussed in the colloquy a few days ago with the Senator from Idaho. The clause referred to by the distinguished Senator from Ohio was added to the end. It made no real or material change in the provisions of section 6. The provision still would require the President of the United States to "take all necessary steps to insure the availability and appropriate utilization" of the system. Those are the key words. The little clause, on the end, relating to "otherwise required," would not detract from the previous words. The mere fact that the service would be useful would not be sufficient. It would have to be required. In other words, it would have to be stated that a message could not be obtained over the low-orbit satellite system before the Government could use its own facilities. There would have to be a situation in which one could not get messages over the high-priced system before there could be brought into play the restricted language.

The language is so restricted as to mean little. That is why we have offered language which will mean something.

This provision would require that the President take all necessary steps to insure the availability of the communications satellite system for use by any department or agency of the United States. It still would require that the President "shall" use the system, but would not permit him to put up one of the Government's own, nor could put up a different one if the Hughes or some other company should get a satellite in orbit at 22,300 miles, or if I.T. & T. or some other company should develop a better one.

My amendment would permit the U.S. Government to buy the best service available, instead of being limited, as the proposed legislation would provide, to buying from A.T. & T. regardless of price, whether for official use or not.

Mr. President, I yield the floor.

Mr. PASTORE. Mr. President, I respectfully move to lay the amendment on the table.

Mr. GORE. Mr. President, will the Senator withhold his motion?

Mr. PASTORE. I withhold, Mr. President.

Mr. GORE. Mr. President, I yield myself 1 minute.

If Members of the Senate will carefully read subsection (6) of section 201, on page 25 of the bill, they will find the key words in line 24, "as do not require a separate communications satellite system."

I submit that the amendment adopted helps a little, but only a little. It would only apply to uses which require a separate satellite communications system in the national interest.

Mr. PASTORE. Mr. President, I move to lay on the table the amendment offered by the Senator from Texas to the committee amendment.

Mr. YARBOROUGH. Mr. President, I ask for the yeas and nays.

Mr. KEFAUVER. I ask for the yeas and nays, Mr. President.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island to lay on the table the amendment offered by the Senator from Texas to the committee amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METCALF (when his name was called). On this vote I have a pair with the junior Senator from Oregon [Mrs. NEUBERGER]. If she were present, she would vote "nay." If I were at liberty to vote, I would vote "yea"; I therefore withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Colorado [Mr. CARROLL], the Senator from Pennsylvania

[Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Hawaii [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Utah [Mr. MOSS], and the Senator from Oregon [Mrs. NEUBERGER] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Arizona [Mr. HAYDEN] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Hawaii [Mr. LONG], and the Senator from Arkansas [Mr. MCCLELLAN] would each vote "yea."

On this vote, the Senator from Nevada [Mr. BIBLE] is paired with the Senator from Colorado [Mr. CARROLL]. If present and voting, the Senator from Nevada would vote "yea," and the Senator from Colorado would vote "nay."

On this vote, the Senator from Arizona [Mr. HAYDEN] is paired with the Senator from Utah [Mr. MOSS]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from Utah would vote "nay."

On this vote, the Senator from Pennsylvania [Mr. CLARK] is paired with the Senator from Mississippi [Mr. EASTLAND]. If present and voting, the Senator from Pennsylvania would vote "nay," and the Senator from Mississippi would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Maryland [Mr. BUTLER], the Senator from New Hampshire [Mr. MURPHY] and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent and, if present and voting, would each vote "yea."

The Senator from Connecticut [Mr. BUSH] is detained on official committee business and, if present and voting, would vote "yea."

The result was announced—yeas 68, nays 15, as follows:

[No. 195 Leg.]

YEAS—68

Aiken	Hartke	Pastore
Beall	Hickenlooper	Pearson
Bennett	Hickey	Prouty
Boggs	Holland	Proxmire
Bottum	Hruska	Randolph
Byrd, Va.	Humphrey	Robertson
Byrd, W. Va.	Jackson	Russell
Cannon	Jordan, N.C.	Scott
Capehart	Jordan, Idaho	Smathers
Carlson	Keating	Smith, Mass.
Case	Kerr	Smith, Maine
Chavez	Kuchel	Sparkman
Cooper	Lausche	Stennis
Cotton	Long, Mo.	Symington
Curtis	Magnuson	Talmadge
Dirksen	Mansfield	Thurmond
Dodd	McCarthy	Tower
Ellender	McGee	Wiley
Engle	Miller	Williams, N.J.
Ervin	Monroney	Williams, Del.
Fong	Morton	Young, N. Dak.
Fulbright	Mundt	Young, Ohio
Goldwater	Muskie	

NAYS—15

Bartlett	Gruening	Long, La.
Burdick	Hart	McNamara
Church	Hill	Morse
Douglas	Javits	Pell
Gore	Kefauver	Yarborough

NOT VOTING—17

Allott	Clark	Metcalf
Anderson	Eastland	Moss
Bible	Hayden	Murphy
Bush	Johnston	Neuberger
Butler	Long, Hawaii	Saltonstall
Carroll	McClellan	

So Mr. PASTORE's motion, to lay on the table Mr. YARBOROUGH's amendment to the committee amendment, was agreed to.

Mr. PASTORE. I ask for the yeas and nays on the committee amendment.

Mr. LONG of Louisiana. Mr. President——

Mr. MORSE. Mr. President——

The PRESIDING OFFICER. Is the request sufficiently seconded?

The yeas and nays are ordered.

Mr. DIRKSEN. Mr. President, in my own time I have——

Mr. LONG of Louisiana. Mr. President, a parliamentary inquiry.

Mr. DIRKSEN. Mr. President, I should like to inquire of the distinguished majority leader as to what the program will be for the balance of the day and also what he envisions for tomorrow.

Mr. MANSFIELD. Frankly, I cannot give the minority leader much of an answer. We must play this matter by ear.

Mr. GORE. Mr. President, Members in the rear of the Chamber cannot hear. The Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MANSFIELD. It is the intention of the leadership to stay in session until 10 o'clock or thereabouts tonight, depending on conditions, and to come in at 10 o'clock tomorrow morning and to stay with this matter until it is concluded, and then turn to the farm bill, and following the farm bill to turn to the drug bill.

Mr. DIRKSEN. Mr. President, in my own time I should like to ask the distinguished senior Senator from Oregon if he can enlighten the Senate as to whether there will be a continuation of these amendments and if he anticipates quorum calls and yea-and-nay votes, as has been the case thus far? The basis for my inquiry is—and I do not vouch for it at all—that I understood there was afoot a plan to take perhaps another four or five or six major amendments out of the entire heap, and offer them, and let it go at that.

Mr. MORSE. I appreciate very much the fairness of the Senator from Illinois in offering to do this in his own time. I should like to answer at great length, but in fairness to the Senator, I believe we should have unanimous consent that the colloquy which will take place will be charged to no one's time.

Mr. DIRKSEN. That is all right. I have some time left. I am asking the question.

Mr. MORSE. I have already told the Senator from Illinois, the Senator from Florida, and the Senator from North Dakota that I thought it only fair that the Senate know what the plans are, so far as the senior Senator from Oregon is concerned, with regard to the rest of the amendments.

I have 4 minutes left on the bill. I wish to use those 4 minutes to answer the Senator from Minnesota [Mr. HUMPHREY]. I will use the time for that purpose.

However, my position on the amendments which I have submitted is this: I have submitted every one of them in good faith. In my judgment each one, without exception, is an important amendment and would, if adopted, improve the bill. I believe that each should be adopted.

I have been placed in the position where I cannot discuss these amendments at any length. To cover this situation, if I can, I shall propose a unanimous-consent agreement.

The amendments will have to be set forth, and all I can do is to call them up and have them read. I shall ask unanimous consent that I be allowed to file in the RECORD a memorandum about each one of them which will set forth my position upon it.

I do not expect to obtain agreement, but I want to set forth my reasons for following the course of action I have outlined in fulfilling my obligation. I have an obligation to present these amendments for the RECORD. I have an obligation to give the Senate an opportunity to vote on them one way or another. I do not intend, because the die has been cast, to call for a yea-and-nay vote on very many of the amendments. I believe there may be two or three on which I do wish to have a yea-and-nay vote. However, I intend to call up every amendment that I have submitted which has not already been considered by the Senate.

I intend to call up every amendment of which I am a cosponsor. I did not lend my name to a single amendment on the desk which in my judgment should not be adopted. Each one of them were designed to protect the public interest against the provisions of this monstrous bill which the Senate is about to pass.

This process will take time. Senators may not believe it, but the Senator from Oregon regrets that it is going to take time. It is, however, necessary, in view of what has developed in the Senate. It is necessary in view of the fact that the Senator from Oregon recognizes that he has no chance at all of getting any of these amendments adopted.

However, I do owe an obligation to my position in the Senate and to the people I represent.

I do not wish the debate on this issue to close without a complete history of it being made so far as the amendments which ought to be offered to the bill are concerned. I believe in each amendment that I will offer tonight and tomorrow morning. I assure the Senate, however, that I will not call for a yea-and-nay vote on every amendment. I may not get a yea-and-nay vote on all of those on which I desire to obtain it but it is my hope that I will.

I have long since been convinced that I must vigorously protect my rights in this session of the Senate.

I shall offer my amendments, and the Senate can dispose of them as rapidly as the clerk can get through reading them and the Senate's guillotine can dispatch to them to the table. However, the amendments which bear the name of the senior Senator from Oregon will be offered before we dispose of the pending bill.

Mr. DIRKSEN. If I could get from the Senator from Oregon a slightly more explicit answer——

Mr. MORSE. I believe there are approximately 30 amendments.

Mr. DIRKSEN. I was about to ask the Senator how many there were. How many amendments will we have the pleasure of guillotining tonight?

Mr. MORSE. I believe that in the course of this evening the Senator may be able to drop the guillotine on half of them or more. Of course, I am fit as a fiddle, and if the Senate wishes to stay here all night, I shall be delighted to have the Senator from Illinois remain.

Mr. DIRKSEN. Mr. President, still in my own time, I see my affable friend, the distinguished Senator from Tennessee [Mr. KEFAUVER], on the floor, whom I regard as the grand captain. I should like to ask the grand captain whether on his amendments he expects to follow the same course of procedure. He has submitted quite a number of amendments. I believe on one occasion he dropped 70 amendments on the desk, as my list indicates. I am wondering whether he is going to call up a very substantial number of them and attempt to secure yea-and-nay votes on them or suggest the absence of a quorum.

Mr. GORE. Mr. President, I make a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. GORE. The rules of the Senate do not permit one Senator who has the floor to propound questions to a Senator who does not have the floor.

The PRESIDING OFFICER. The point of order is sustained.

Mr. DIRKSEN. I have the floor. I believe I can ask a question.

The PRESIDING OFFICER. The Senator from Illinois has the floor.

Mr. GORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GORE. What was the ruling of the Chair?

The PRESIDING OFFICER. The point of order of the Senator from Tennessee was sustained.

Mr. DIRKSEN. I yield to the distinguished Senator from Tennessee to ask me a question.

Mr. KEFAUVER. In the Senator's time?

Mr. DIRKSEN. Yes.

Mr. KEFAUVER. Is the time for answering the question limited or unlimited?

Mr. DIRKSEN. Unlimited.

Mr. KEFAUVER. Does the Senator not know that I have stated to him on the floor of the Senate that if this type of bill is going to be passed, I and others have an obligation at least to call the attention of the Senate to some improvements that might be made in it? I am sure the Senator knows that I have offered, I believe, up to this time, three amendments, all of which were important amendments.

I offered an amendment to let the public participate in all the issues of voting stock, not merely the initial issues. That amendment was defeated. I offered an amendment to prevent an investor like A.T. & T. from getting a double return, a return from the users of the telephone and a return from interest on bonds. That was a serious amendment. That was defeated.

I am sure the Senator from Illinois knows that I offered an amendment to try to let Western Union rid itself of its divestiture order so that it could participate in the satellite program. I believe everyone agreed. The chairman of the Commerce Committee agreed, I am sure. The Senator handling the bill on the floor agreed. Apparently everyone agreed, but almost no one voted in line with their agreement.

So far as my position is concerned, I believe that those who have the feeling that they should at least give the Senate a chance to vote on amendments should have the opportunity of offering them. May I ask another question?

Mr. DIRKSEN. Let me ask the Senator another question.

Mr. KEFAUVER. I expect to offer about two more amendments.

Mr. DIRKSEN. The Senator from Tennessee submitted 46 amendments. Action was taken on five. The Senator has 41 amendments remaining at the desk. Does he propose to call up all of them? I desire only an answer to that question.

Mr. KEFAUVER. The Senator from Illinois yielded for an unlimited time; I took him up on his proposal.

Does the Senator know that when the cloture petition was filed unexpectedly on Saturday morning, without notice to many Senators, a number of the opponents of the bill were absent from the city; that we who were here feared that Senators who were out of the city might not have an opportunity to submit amendments and have them printed in the RECORD; that the Senator from Louisiana [Mr. LONG] and I, in order to try to protect the rights of Senators who were absent, submitted a number of other amendments; that when the absent Senators returned and found they could submit their amendments and have them printed in the RECORD, they did so, and that many of them were duplicates of those which had been submitted on Saturday; that in many cases the amendments are in triplicate, exactly like those which had first been filed?

For my part, I shall ask for the consideration of only the amendments which I believe ought to be adopted.

Mr. DIRKSEN. That is, two?

Mr. KEFAUVER. I have many more that I think ought to be adopted; but out of deference to the distinguished minority leader, knowing what will happen by way of motions to table some of the amendments which I think should be adopted, I may not offer them. But I do not want to make any binding agreement.

Mr. MORSE. Mr. President, will the Senator from Illinois yield for 30 seconds on his time, so that I may propound a unanimous-consent request?

Mr. DIRKSEN. I yield.

Mr. MORSE. My unanimous-consent request is that I be permitted to file in the RECORD, following each amendment I offer, each of which I expect to be shot down by the tabling procedure, a memorandum explaining the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. DIRKSEN. Mr. President, reserving the right to object, does that query come in the form of a request merely to file an amendment and a memorandum in connection with it?

Mr. MORSE. No; it comes in the form of a request that as I offer an amendment and it is read by the clerk and submitted to the Senate for action, there may be printed in the RECORD a memorandum explaining the amendment and setting forth a brief argument in favor of it.

Mr. DIRKSEN. I would be glad not to object, if the request involved only an insertion of the amendment in the RECORD or that it be read by title.

Mr. MORSE. I withdraw the request.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. DIRKSEN. If I may.

Mr. LONG of Louisiana. Is the Senate operating under a unanimous-consent agreement at this time?

Mr. DIRKSEN. Wait. First let me yield to the Senator from Louisiana for a parliamentary inquiry. Then everyone can hear and understand it. Now I yield.

Mr. LONG of Louisiana. Mr. President, is the Senate operating at this time under a unanimous-consent arrangement, or is it still operating under the cloture rule?

The PRESIDING OFFICER. The Senate is operating under the cloture rule.

Mr. DIRKSEN. On my time.

The PRESIDING OFFICER. On the time of the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I yield the floor.

POSTAL RATES FOR THE BENEFIT OF BLIND PERSONS

Mr. CURTIS. Mr. President, I send a bill to the desk in behalf of the senior Senator from Kansas [Mr. CARLSON], the senior Senator from West Virginia [Mr. RANDOLPH], and myself. I ask that the bill remain at the desk for a week to enable other Senators to join as cosponsors.

This bill is for the benefit of the blind and particularly for the benefit of blind children. For some time I have been interested in their welfare. I have been particularly interested in the work of the Christian Record Benevolent Association of Lincoln, Nebr. They have

done so much in printing and distributing the scriptures and religious books for the blind. Through them I have been in contact with many other fine groups over the country who are likewise doing a very worthwhile work.

Mr. President, the bill relates to the assistance by the Post Office Department to blind persons. At the present time sound recordings on disks can be mailed without charge but the more modern device of tapes does not qualify. This is one of the items taken care of in the bill being introduced today.

Braille material is likewise handled without charge, however, many people are legally blind, and this is particularly true of children who, with the aid of new lenses being developed, can read a large script prepared for them. Such script is not used by persons other than the blind. This proposal would cause that type of printing to be handled free as braille is now handled.

At the present time books for the blind are sent at a special rate of 1 cent per pound. The revenue the Post Office Department receives from this is negligible and it is burdensome from the standpoint of bookkeeping. This charge is removed and, in addition, the scope of what can be sent in the way of supplies for the blind is enlarged.

Mr. President, I ask unanimous consent to have printed in the RECORD portions of a letter I have received from Mr. George E. Keane, chairman of the legislative committee of the American Association of Workers for the Blind, which further explains these changes.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the excerpts from the letter will be printed in the RECORD; and, without objection, the bill will lie on the desk, as requested by the Senator from Nebraska.

The bill (S. 3467) to amend sections 4653 and 4654 of title 39, United States Code, with respect to the mailing of certain reading and other materials for the use of blind persons, introduced by Mr. CURTIS (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

The excerpts presented by Mr. CURTIS are as follows:

THE INDUSTRIAL HOME FOR THE BLIND,
Brooklyn, N.Y., July 31, 1962.

Hon. CARL T. CURTIS,
U.S. Senate, Senate Office Building, Washington, D.C.

DEAR SENATOR CURTIS: * * * A brief explanation of the background and reason for the proposed changes may be useful here. I know that you are familiar with most of these reasons, but put in a brief memorandum form, they may be useful.

First, we are suggesting two separate proposals. In the amendments to section 4653 we are asking for the inclusion of sound recordings other than those on discs, and in addition, matter in sightsaving-size type. The first addition is self-explanatory, since research and development in the field of recordings for the blind seem to indicate that ultimately more and more of the material prepared in sound recordings for blind persons may be on tape as a more economical method both in terms of cost and in terms of space needed. The inclusion of sightsaving-size type material, however, is new, and it should be said here that such material will probably be confined exclusively to the use of blind children with some remaining vision, as it will never be practical to try to publish extensive lists of titles in large type for the adult population. The reason for its importance for the child is that practically all of the material prepared in large type for blind children is hand transcribed by volunteers. There are very few titles available through the American Printing House for the Blind or any other agency, and the local volunteer will probably have the burden of completing texts for blind children in this type for many years to come. The preparation of these texts is conducted for the most part by private, voluntary agencies which provide large-type typewriters, the paper, and other materials essential for preparing the books. Much of this is mailed to the volunteer and thereafter returned by mail to a central bindery for preparation for use by the child.

The present rate of 1 cent per pound has not applied to this material in the past, nor to the finished books which are then mailed to the child, and it would be a valuable contribution if these could be mailed free, as braille material and sound recordings are now mailed. The probabilities are that this will never be in the aggregate a very substantial addition to the burden on the Post Office Department, but it can be a real saving to the local agency for the blind handling the problem.

You will note that another minor change is that we have suggested rewording the phrase, "for the blind," to read, "for blind persons."

The amendments proposed to section 4654 are self-explanatory insofar as they suggest the abandonment of the 1 cent per pound rate for the mailing of sound reproducers or parts thereof, braille writers, and other appliances. You will note, however, that we have included the phrase, "and paper, records, tapes, and other raw materials necessary for the production, etc." in subsection (b) of section 4654. We have included this phrase so that the local agency or a central agency, hopefully the American Printing House for the Blind at a later date, may be able to provide paper and production material to volunteers throughout the country for the transcribing of large-type books for blind persons. You will recall that Mr. Duffield, in his review of his discussions with the Post Office Department and others, found a willingness to consider the abandonment of the 1 cent per pound rate in the mailing of such machines and appliances as are described in the law—first, because the aggregate income to the Post Office Department in such mailing is negligible; and, second, because as a bookkeeping item it becomes burdensome.

Work for the blind in the United States, however, which is always confronted with the problem of raising funds to carry its work forward, would find the saving substantial enough to warrant requesting the change in the law, particularly those agencies, whether public or private, which carry forward extensive programs of volunteer transcription for blind children. Very often the geographic area covered by such an agency may be quite large, and there may be several agencies for the blind in the area which do not carry forward a transcription program. The major burden, therefore, for a large population may fall on one agency, and the mailing costs may become significant. We feel very strongly that it is a sound plan for one central agency to do as much of this work as is possible, and we feel that the elimination of costs such as the penny a pound mailing charge may encourage such agencies to extend their services. Very often the mailing of paper to the volunteer transcriber and its return to the library is more expensive because of the frequency of such mailing. Some agencies, for example, have as many as 1,000 volunteer transcribers who must be provided with the materials for producing books, all of which are sent by mail and returned by the transcriber to the library by mail. Under present conditions costs for such mailing are borne by the local agencies. We believe sincerely that the Postmaster General will have no objection to the inclusion of this material once he understands the problem.

* * * * *

Faithfully yours,
GEORGE E. KEANE,
Chairman, Legislative Committee.

Mr. CURTIS. Mr. President, we have in the very good judgment of our people and of the Congress made very special provisions for the blind of the United States by law and by unanimous consent. We have had for many years one special provision concerned with the mailing of reading matter for the blind, creating very liberal provisions so that no hardship shall arise in seeing to it that reading matter is brought directly to the blind person, and beyond this, that equipment and facilities for reading are made available to him.

In the past quarter century there have been many changes in our life, in our sciences, in our economy, which make the provisions which have been available just a little archaic and ready for change.

Because I have always had an interest in the welfare of our blind citizens, I have been particularly aware of this problem of the preparation and distribution of reading matter for blind persons. It has been brought to my attention by a number of leaders in the field of work for the blind through the representative of an organization in my own State, the Christian Record Benevolent Association, Mr. Dean C. Duffield, who has brought the problem specifically to my attention, representing the American Association of Workers for the Blind, the National Federation of the Blind, the American Association of Instructors of the Blind, the American Printing House for the Blind, the American Foundation for the Blind, the Library of Congress, and others who have a particular knowledge and interest in the cultural and educational opportunities for blind persons in our country.

We have in the past been primarily concerned with producing and distributing reading matter for an adult population of blind persons. However, in the past 20 years we have been more and more concerned with reading matter for blind children, and it has been the pressure to produce and distribute such reading matter for these children that has brought to the attention of the field of work for the blind and of Congress some of the inadequacies of the law concerned with the mailing of this material.

With the advent of scientific discoveries which made it possible to preserve life in very small children who were born prematurely, and with the inadequacy of the knowledge of the use of oxygen in conjunction with their incubation, an eye condition known as retrolental fibroplasia increased the numbers of blind children substantially in the United

States. Fortunately, the problem surrounding the use of oxygen has been conquered and this is no longer a serious problem, but there are now literally thousands of blind children going through the schools for the blind and the public schools who need and must have substantial quantities of reading matter to carry forward their studies in the community.

In earlier days braille material produced by the American Printing House for the Blind was adequate because much of the educational program available to blind children was carried forward in residential schools. Now, however, more than 50 percent of all of these children are educated in their home communities in public schools where it may be necessary to provide a complete set of texts for a child which may be the only ones needed by any blind child. Most of these books are produced and distributed by local voluntary agencies for the blind using volunteer transcribers who produce the books by hand, return them to libraries operated by such local agencies, who in turn bind them and send them to the blind children who need them.

During the same period of time there were other significant developments which affected this group of children and adults substantially. Beginning with a small installation at The Industrial Home for the Blind of Brooklyn in 1953, and since spreading to all parts of the United States, experiments were carried forward in the use of telescopic and microscopic lenses to assist these children and adults who were classified as legally blind but who had some remaining vision, to use this vision to its utmost. It was possible with these lenses for persons classified as blind persons to read special sightsaving-size type, usually a type face in the area of 14- to 24 point type, as described by printers. Here again, it was necessary to have special texts and reading matter prepared in such type, almost exclusively by volunteer transcribers, although there is a limited number of printed volumes in these type sizes, sometimes called "clear-type."

The problem immediately arose as to the distribution of this material which, of course, was neither transcribed in embossed or raised type such as braille, or on records such as the talking book, and with the best will in the world the postmasters of the various communities were unable to accept this material as free reading matter for the blind, in terms of cost of mailing, yet this material was just as important to the blind child who could see with these lenses to read, although he might not be able to see to do anything else, as the braille material was to him prior to the use of the lenses.

Another important development over the years has been the effort on the part of the Library of Congress and others concerned with reading matter for the blind to find a more economical method of producing reading matter for blind persons than that now available either on sound recordings or in raised type, and it has become increasingly clear that it would be far more economical to produce reading matter on tape recordings than on disks, not only because of the cost of producing disks as compared with the cost of producing tapes, but in even greater measure in the space required both for the production and storage of disks as compared to tapes, and the weight in mailing to and from the libraries and agencies handling these tapes and records.

In order to resolve some of the problems which are apparent in these new developments, there have been innumerable meetings between the representatives of various associations and agencies concerned with the education and rehabilitation of blind persons over the past several years, and the proposals contained in the two sets of amendments to Codes Nos. 4653 and 4654 are an effort to correct some of the problems that have arisen in the simple matter of mailing reading matter for blind persons. In the consultations that have preceded this proposal the publishers, private agencies, the Library of Congress, and the associations of workers for and of the blind have been deeply involved, and the proposals suggested here are the result of these discussions.

Conferences have been held with the Post Office Department, and I myself have had some correspondence with all of these parties. It would appear that the proposals we make here, which I am very glad to say are cosponsored by my distinguished colleagues, Mr. RANDOLPH, Mr. CARLSON, and others, will, in effect, facilitate the movement of reading matter for the blind in the United States and will make it more effective and more useful to the blind reader.

We feel very strongly that while the immediate problem relates to the movement of books to blind children and consists of a very substantial program of mailing, that over the years this phase of the problem will be reduced by the fact that the numbers of blind children grow steadily less, despite the fact that the numbers of older blind persons continue to increase. The masses of mail now required are related to the children's programs and should, therefore, over the next 10 or 20 years mean a very big reduction in the burden on the postal services. It is entirely probable that when the present large numbers of children have completed their education the problem of mailing sightsaving-size type will be negligible, indeed, for as most of the older blind persons use the sound recordings for reading matter, there will undoubtedly be a reversion to the more extensive use of embossed type and sound recordings, and less use of the sightsaving-size type.

We should have the privilege, however, of extending to our blind citizens the most complete opportunity for reading that is possible for them. We have asked, too, in this proposal that materials which need to be used by volunteer transcribers to produce the books required by blind readers be included in this free mailing program. This is an effort to reduce the cost of the production of reading matter for blind readers. Most of this cost is now being borne by voluntary agencies for the blind, and it seems an unjust burden to place upon them.

We sincerely believe that the proposals we have made here will resolve many of the developing problems in the mailing of reading matter for the blind which have been coming to our attention over the past decade, and we respectfully urge favorable action by the Senate.

CONSTITUTION DAY — PROPOSAL FOR LEGAL HOLIDAY

Mr. DIRKSEN. Mr. President, I ask unanimous consent, out of order, to introduce a joint resolution to make September 17 a national legal holiday, to be known as Constitution Day.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 217) making the 17th day of September in each year a legal holiday to be known as Constitution Day, introduced by Mr. DIRKSEN, was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. DIRKSEN. Mr. President, for many years we have celebrated that day in 1776, the 4th day of July, when the people of the colonies declared their independence, absolved themselves from their former allegiance and dissolved their former political connections, declaring that the colonies were free and independent States.

In that declaration, which has become one of the historic documents by which men have set out the self-evident truths and the principles of government, they also set out for all mankind to know the causes which impelled them to their determination.

But that declaration rending asunder the bonds of a former allegiance was only the first step in creating this great Nation that now comprises 50 States which reach from the Gulf of Mexico to the Arctic Circle and beyond and span from the Atlantic Ocean to our island State in the Pacific.

The next task of those patriots, our forebears, was to establish the authority by which they were to be governed because they knew that revolution rightly conceived in justice is not anarchy. In the beginning they used the means at hand. Each colony became a free and independent State; all were bound together in a firm league of friendship by Articles of Confederation for their common defense and the security of their liberties and their mutual and general welfare.

So, bound together, they fought a war. It was a common war of independence against a common oppressor, and, in the adversity of that war, the people put aside their provincial thoughts in order to achieve a common victory. By the fire of war they were welded into one Nation. The bond has never since been broken, though it has been severely tried by issues which have from time to time divided different parts of this great country.

So it was, Mr. President, that the people of those free and independent

States, having fought this common war, sent their representatives to Philadelphia in February of 1787 to devise such further provisions as should appear necessary to provide a Federal Government adequate for this Union. Among this group of 42 men assembled in the statehouse in Philadelphia were some of the most famous in our history. George Washington, Benjamin Franklin, James Madison, and Alexander Hamilton were there. So were Gunning Bedford and Robert Morris. Two of these men were to become Presidents of the United States, three Cabinet officers. Fifteen became U.S. Senators, eight more became Governors, one became Chief Justice of the U.S. Supreme Court, and three became Associate Justices. George Washington, who had led the people in their common war, was unanimously elected President of this convention.

Mr. President, it was a convention which was to prepare the greatest document of government the world has yet seen—a document of a government which would be of the people, by the people, and for the people. The task was not an easy one. For 124 days they labored, as they discussed the provisions that were proposed. So carefully was their work considered. But all this care and attention was not for naught. One-hundred and seventy-five years later that Constitution, which those wise and foresighted men prepared, has been amended only 23 times. The first 10 amendments, as every schoolboy knows, were called the Bill of Rights and were adopted almost as this Nation came into being; and since then only 13 amendments have been made.

This Constitution which was established for a nation with a population of less than 4 million persons today governs more than 186 million persons. One might think that such a document of government would be long and involved but such is not the case. It is exactly 89 sentences long; can be contained on 4 sheets of paper and can be read by anyone in 15 minutes. But it has stood the test of time. It has seen a continent transformed from a wilderness to the greatest economic power in the world. It has seen the surface of the globe transformed. Empires have risen and fallen. Communication around the world has become a matter of seconds instead of weeks and months. Men fly through the upper regions of the heavens and travel deep under the sea. The moon, the planets, and the very cosmos are growing close. Yet, the form of government as set out in that Constitution 175 years ago has endured and has been adopted by the people throughout this planet.

And so, Mr. President, I think it is only fitting that we should do honor to those men and to the Constitution of our country which has been engrossed upon the records of history through their efforts. The day upon which they duly affixed their signatures to that document they had so carefully prepared was September 17, 1787, 175 years ago. To that end Mr. President, I now introduce a joint resolution that this significant day become recognized as part of our national traditions and I ask that this resolution be referred to the appropriate committee.

NEWSLETTER OF SENATOR COTTON

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a most compelling document in the form of a newsletter by the distinguished senior Senator from New Hampshire [Mr. COTTON].

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

NORRIS COTTON REPORTS TO YOU FROM THE U.S. SENATE

"I have sworn eternal hostility against every form of tyranny over the mind of man," declared Thomas Jefferson. Never did these words ring more true than in this space age. The cold war we wage is to unshackle the minds of men. It is a battle of ideas—and ideas cannot be blasted by missiles or smothered by fallout. Faith and freedom are our weapons and the world will survive if we can beam them to those behind the Iron Curtain, and to new and underdeveloped countries.

With full knowledge of this and a vision for which we honor him, President Kennedy 1 year ago marshaled the departments and resources of Government in a drive to put a communications satellite in orbit: "I am anxious that development of this new technology to bring the farthest corner of the globe within reach by voice and visual communication, proceed with all possible promptness." One month ago the almost fantastic dream came true. Some of us who serve on the Communications Committee had the chance to witness the first sound and pictures sent into space and bounced back from the Telstar satellite. Next day messages and television were relayed to and from Europe. The United States had scored its greatest "first"—and our firsts in space are few these days. We have led the world in putting space science to a practical, peaceful use. If we act quickly, we can hold that lead and provide a world satellite system handling more than a thousand messages at a time, meeting the fast-growing needs for oversea communications. With it we can project the picture of freedom, clear and unmistakable, to all peoples everywhere.

But, in the midst of our jubilation, we came to earth with a thud. Our eyes may have been on the stars but our feet were dragging in the mire. We are in danger of letting the fruits of victory slip away from us. Here are some facts you should know:

For years Government and private enterprise have worked side by side, pacing each other, in space research and development. Government, largely through NASA (National Aeronautics and Space Administration), has sought many goals including weather, navigation, and surveillance (spy) satellites. Government research contributed to Telstar and Air Force's Thor rocket launched it.

Meanwhile, Bell Telephone has spent a billion dollars producing the transistor, the solar battery, the traveling wave tube, the maser, the waveguide, and the horn antenna—all essential to Telstar, but most of them required for Government's other purpose satellites. The telephone company spent $35 million preparing six Telstars, $15 million on the ground station in Maine and paid $2.7 million to NASA for the launching and the use of its tracking system. Thus, Government and industry have been working partners.

President Kennedy, wisely I believe, seeks to continue this partnership. His bill provides for a special corporation owned equally by the public and the telephone companies, six directors named by each group and three by the President. As a private corporation it will have the profit incentive which has always put the surge into America's free competitive system—and it will pay taxes. On the other hand, it will be subject to carefully spelled out controls by the President, NASA, and the FCC. I think it's a workable combination.

Congress thinks so too. The bill passed the House almost unanimously. Approved by both the Senate Space Committee and my own Commerce Committee, it came into the Senate with almost complete bipartisan backing. Then followed one of the worst debacles in American history. A few Senators, bound and determined to send America into the space race under the red banner of Government ownership, are defying the President and the Senate. For 2 weeks they filibustered. Then, to appease them, the bill was sent to the Foreign Relations Committee to determine if the corporate setup is adapted to our foreign policy. The Secretary of State and other high officials testified that it is, so this committee, like the other two, reported it favorably.

As I write this report the filibuster is on again. Actually, representative government is on trial. What a stimulus for dictatorships if, in a national emergency, a handful of Senators can paralyze our entire Congress. I shall vote for cloture. This is one time we should clamp down on needless debate. The scientific triumph of the century must not be erased by a foolish filibuster.

In the words of Franklin Roosevelt, "This generation of Americans has a rendezvous with destiny."

That rendezvous must be kept.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Rhode Island will state it.

Mr. PASTORE. Has action been taken on my request for a yea-and-nay vote on the committee amendment?

The PRESIDING OFFICER. The Chair is informed that a yea-and-nay vote has been ordered.

Mr. PASTORE. I thank the Chair.

Mr. MORSE. Mr. President, I call up my amendment designated "8-13-62—LLLL," and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 28, line 14, it is proposed to strike out the following: "institute forthwith appropriate proceedings under section 214(d) of the Communications Act of 1934, as amended, to".

On page 30, line 11, strike out the following: ", in accordance with the procedural requirements of section 214 of the Communications Act of 1934, as amended,".

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 196 Leg.]

Aiken	Gruening	Miller
Bartlett	Hart	Monroney
Beall	Hartke	Morse
Bennett	Hickenlooper	Morton
Boggs	Hickey	Mundt
Bottum	Hill	Muskie
Burdick	Holland	Pastore
Bush	Hruska	Pearson
Byrd, Va.	Humphrey	Pell
Byrd, W. Va.	Jackson	Prouty
Cannon	Javits	Proxmire
Capehart	Johnston	Randolph
Carlson	Jordan, N.C.	Russell
Case	Jordan, Idaho	Scott
Chavez	Keating	Smathers
Church	Kefauver	Smith, Mass.
Cooper	Kerr	Smith, Maine
Cotton	Kuchel	Sparkman
Curtis	Lausche	Stennis
Dirksen	Long, Mo.	Symington
Dodd	Long, Hawaii	Talmadge
Douglas	Long, La.	Thurmond
Ellender	Magnuson	Tower
Engle	Mansfield	Wiley
Ervin	McCarthy	Williams, N.J.
Fong	McClellan	Williams, Del.
Fulbright	McGee	Yarborough
Goldwater	McNamara	Young, N. Dak.
Gore	Metcalf	Young, Ohio

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment of the Senator from Oregon to the committee amendment.

Mr. PASTORE. Mr. President, does the Senator from Oregon desire to have printed in the RECORD an explanation of his amendment, before I move that the amendment be laid on the table? I am perfectly willing to agree to a unanimous-consent request to have an explanation printed in the RECORD.

Mr. ERVIN. Mr. President, I shall object to a request for unanimous consent.

Mr. LONG of Louisiana. Mr. President, all that the Senator from Oregon wishes to do is to have an explanation of the amendment printed in the RECORD—in cooperation with the leadership.

Mr. ERVIN. I will go along with the leadership.

Mr. LONG of Louisiana. But if we are to reach the point where an explanation cannot be printed in the RECORD——

Mr. PASTORE. Mr. President, I have no objection to having an explanation of the amendment printed in the RECORD.

Mr. ERVIN. Then, Mr. President, I have no objection.

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

STATEMENT BY SENATOR MORSE ON AMENDMENT LLLL

1. The clauses that this amendment would strike out provide the procedures which H.R. 11040 imposes as a precondition of compelling the proposed corporation to render service to underdeveloped nations and areas.

2. These procedures are spelled out not in the present act but in the Communications Act of 1934. They provide for an adversary proceeding at which the U.S. Government would be forced to litigate against the corporation.

3. The penalty for noncompliance with section 214D of the Communications Act is a fine of $100 a day, which would be a slap on the wrist to this corporation which may gross $33 billion a year in a decade.

In support of this point I ask unanimous consent that the portion of Senator KERR's Senate Space Committee Report of February 25, 1962, dealing with attractiveness of space communications as an economic venture be included at this point in my remarks.

4. The act presently provides that the Secretary of State make a determination that communication with a particular foreign point, i.e., India or Ghana or Argentina, is in the national interest. If this amendment is not passed the corporation can refuse to comply with the Secretary's decision. The only recourse of our great Government—which may have discerned that such communication may be crucial during a certain period—for instance—immediately following independence—the only recourse is to engage in an adversary proceeding with the corporation.

5. This proceeding would be lengthy, expensive, and the results would by no means be certain. Section 214D provides "full opportunity for hearing" giving the corporation well defined legal rights.

6. We can avoid placing our Government in this inferior position and avoid thwarting foreign policy aims in this area by requiring that the corporation, as a condition of gaining the privileges of this act and the $33 billion annual income, be required to comply with the determination of the Secretary of State without a § 214D hearing.

7. I ask my colloquy with Commissioner Minow in the Foreign Relations Committee hearing on this point be here included.

Mr. PASTORE. Mr. President, if the Senator from Oregon has nothing further to say——

Mr. MORSE. I do not have available time in which to speak.

Mr. PASTORE. Then, Mr. President, I move that the amendment of the Senator from Oregon be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Oregon to the committee amendment. [Putting the question.]

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The committee amendment is open to further amendment.

Mr. MORSE. Mr. President, I ask that the clerk call up my amendment identified as "MMMM," and I ask that the amendment be read.

The PRESIDING OFFICER. The amendment submitted by the Senator from Oregon to the committee amendment will be stated.

The LEGISLATIVE CLERK. On page 34, in line 12, it is proposed to insert the following before the period: "and no such communications common carrier shall at any time own more than 12 per centum of such shares issued and outstanding".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon to the committee amendment.

Mr. KEFAUVER. Mr. President, in my own time, let me state that this is a very important amendment. It restricts the ownership of the stock set aside for the communications carriers, by providing that no one of them may own more than 12 percent of the stock.

As I recall, as the bill was before the House of Representatives, it provided that any one of the common carriers would be limited to 10 percent of the stock, and in the original administration bill the limitation was 10 percent of the stock.

This provision gives the carriers an opportunity to own some stock, but, as the committee amendment is now written, A.T. & T. could legally own up to 50 percent of the voting stock.

Mr. President, this amendment is a most important one. The administration originally recommended 10 percent; and the amendment of the Senator from Oregon, as I heard it read, provides for 12 percent.

Therefore, Mr. President, this amendment should be given very serious consideration.

When a motion to lay the amendment on the table is made, I think a yea-and-nay vote should be taken.

I point out this inequity in the bill: No noncarrier—for example, General Electric, or the Senator from North Carolina, myself, or anyone else who might wish to buy some of the 50 percent of the stock set aside for the public—may own more than 10 percent. Yet in the committee amendment there is no limitation as to the amount which a communications carrier could own of the 50 percent set aside for them. Certainly that provision is not fair or equitable. Why should the public be limited to 10 percent, whereas the communications carriers are not limited at all, other than to the total of 50 percent to be available for all of them.

Mr. PASTORE. Mr. President, if the Senator from Oregon desires to have an explanation of the amendment printed in the RECORD, I have no objection.

The PRESIDING OFFICER. Without objection, an explanation of the amendment may be printed in the RECORD.

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

STATEMENT BY SENATOR MORSE ON AMENDMENT MMMM

1. The substance of this amendment is to take the limitation applicable to ownership of stock imposed by noncarriers under section 304(6)(3), and to apply a similar limitation to the 10 international communications carriers, which may now own up to 50 percent of the voting stock and unlimited amounts of other securities.

2. Testimony before the Foreign Relations Committee by Joseph Rauh established that pursuant to the Public Utility Holding Company Act and the investigations upon which it was based, back in the 1930's, there is a presumption that about 10 percent of stock ownership in a large, publicly held corporation, is controlling.

3. If there were time, these hearings would have been studied and digested for inclusion in this RECORD. It is clear that this material, which contains the accumulated experience and wisdom of this Nation with monopoly in the utilities industry should have received close study and consideration by the committees of the Senate before which the measure was brought.

4. In the absence of the provision, it is clear that A.T. & T. will own 35 percent to 45 percent of the stock in the proposed corporation. This conclusion is justified by the position taken by A.T. & T. in the ad hoc carrier conference sponsored by the

FCC in 1961 during which A.T. & T. indicated a willingness to invest some $65 million out of $75–80 million which all carriers would have invested.

This estimate was confirmed by the testimony of Deputy Attorney General Katzenbach before the Senate Antitrust and Monopoly Subcommittee and FCC Chairman Newton Minow before the Senate Foreign Relations Committee.

5. The Supreme Court in the case of *U.S.* v. *E. I. du Pont,* 313 U.S. 586 (1957), held that a 23 percent stock interest inhibited competition and therefore violated section 7 of the Clayton Antitrust Act. Another case in this area involved a 24 percent stock interest which a Federal Court enjoined from being voted, *Hamilton Watch Co.* v. *Benrus Watch Co.,* 206 F. 2d 738 (2d Cir., 1953). This line of cases should have been given a full airing and thorough consideration both in the Senate Commerce Committee and on the Senate floor.

6. In light of the standards set by both the Public Utilities Holding Company Act and the Supreme Court regarding the relationship of stock ownership to control, it is clear and certain that passage of H.R. 11040 in its present form, and without such an amendment as this, will result in a dominance of the proposed corporation by the American Telephone & Telegraph Co. that will rise to haunt the Senate and the Nation for decades to come.

Mr. PASTORE. Mr. President, I move that the amendment of the Senator from Oregon to the committee amendment be laid on the table.

Mr. KEFAUVER. Mr. President, on this motion, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METCALF (when his name was called). On this vote I have a live pair with the Senator from Oregon [Mrs. NEUBERGER]. If she were present and voting, she would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Colorado [Mr. CARROLL], the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Utah [Mr. MOSS], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Arizona [Mr. HAYDEN] are necessarily absent.

I further announce that, if present and voting, the Senator from Arizona [Mr. HAYDEN] and the Senator from Virginia [Mr. ROBERTSON] would each vote "yea."

On this vote the Senator from Nevada [Mr. BIBLE] is paired with the Senator from Colorado [Mr. CARROLL]. If present and voting, the Senator from Nevada would vote "yea," and the Senator from Colorado would vote "nay."

On this vote, the Senator from Pennsylvania [Mr. CLARK] is paired with the Senator from Mississippi [Mr. EASTLAND]. If present and voting, the Senator from Pennsylvania would vote "nay," and the Senator from Mississippi would vote "yea."

On this vote, the Senator from New Mexico [Mr. ANDERSON] is paired with the Senator from Utah [Mr. MOSS]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Utah would vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Maryland [Mr. BUTLER], the Senator from New Hampshire [Mr. MURPHY], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent and, if present and voting, would each vote "yea."

The result was announced—yeas 73, nays 13, as follows:

[No. 197 Leg.]

YEAS—73

Aiken	Hartke	Muskie
Beall	Hickenlooper	Pastore
Bennett	Hickey	Pearson
Boggs	Hill	Pell
Bottum	Holland	Prouty
Bush	Hruska	Proxmire
Byrd, Va.	Humphrey	Randolph
Byrd, W. Va.	Jackson	Russell
Cannon	Johnston	Scott
Capehart	Jordan, N.C.	Smathers
Carlson	Jordan, Idaho	Smith, Mass.
Case	Keating	Smith, Maine
Chavez	Kerr	Sparkman
Church	Kuchel	Stennis
Cooper	Lausche	Symington
Cotton	Long, Mo.	Talmadge
Curtis	Magnuson	Thurmond
Dirksen	Mansfield	Tower
Dodd	McCarthy	Wiley
Ellender	McClellan	Williams, N.J.
Engle	McGee	Williams, Del.
Ervin	Miller	Young, N. Dak.
Fong	Monroney	Young, Ohio
Fulbright	Morton	
Goldwater	Mundt	

NAYS—13

Bartlett	Hart	McNamara
Burdick	Javits	Morse
Douglas	Kefauver	Yarborough
Gore	Long, Hawaii	
Gruening	Long, La.	

NOT VOTING—14

Allott	Clark	Murphy
Anderson	Eastland	Neuberger
Bible	Hayden	Robertson
Butler	Metcalf	Saltonstall
Carroll	Moss	

So Mr. PASTORE's motion to table Mr. MORSE's amendment was agreed to.

Mr. PASTORE. Mr. President, I should like to state to the Members of the Senate as respectfully as I can, that we are moving along rather rapidly now. If Senators will remain in the Chamber, they will be accommodating themselves as well as the Senate. I ask their indulgence.

Mr. KEFAUVER. Mr. President, I could not hear what the Senator said.

The PRESIDING OFFICER. The Chair apologizes.

Mr. PASTORE. May I repeat it, on the Senator's time?

Mr. YARBOROUGH. Mr. President, I will yield some of my time to the Senator.

Mr. PASTORE. What the Senator said, using the time of the Senator from Texas, is that we are moving along rather rapidly now, and if Senators will remain in the Chamber, they will not only be accommodating themselves but also accommodating the Senate. I asked for their indulgence.

Mr. BURDICK. Mr. President, I invite the attention of my colleagues to a very important telegram I have received from my home State of North Dakota, as follows:

> Re A.T. & T. satellite bill, please vote against any bill that would give the telephone companies 50 percent control of communications satellites. The Government has perpetrated A.T. & T. into a monstrous monopoly. Existing tariffs for landlines and service by microwave systems is 400 percent greater than that private systems can be operated for, and I can prove it. I am against Government control and/or ownership, but in this instance I feel that control of this system should be widespread through public and industry with A.T. & T. allowed only a minority interest.
>
> JOHN W. BOLER,
> *North Dakota Broadcasting Co.*

The reason this is important is that the North Dakota Broadcasting Co. owns a chain of television stations covering practically the entire State of North Dakota, part of South Dakota, and the eastern part of Minnesota.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. BURDICK. I yield.

Mr. KEFAUVER. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER (Mr. HICKEY in the chair). The Senate will be in order.

The Senator may proceed.

Mr. MORSE. Does the Senator from North Dakota interpret the telegram which he received from the representative of the North Dakota Broadcasting Co. as indicating a protest against the communications monopoly aspects of A.T. & T.?

Mr. BURDICK. The telegram is signed by John W. Boler, who is president of the company. It certainly speaks for itself. That is the conclusion I draw.

Mr. MORSE. Does the Senator agree with me that monopoly cannot be reconciled with competition?

Mr. BURDICK. I was under the impression that free enterprise connoted competition.

Mr. MORSE. Is the Senator familiar with an article written by J. Robert Moskin entitled "The Surprising Story of 'Ma Bell,'" which appeared in the August 28, 1962 issue of Look magazine, and in which there is much discussion of the activities of A.T. & T.?

Mr. BURDICK. I regret that I have not read the article.

Mr. MORSE. Has the Senator been informed that the article quotes Mr. Frederick R. Kappel, chairman of the board of A.T. & T., as follows:

> The company flies in the face of the American faith in competition. Kappel says, "If you get what the breaker-uppers want, you get competition, and if you get competition, you get waste."

Is the Senator familiar with that quotation?

Mr. BURDICK. I am not familiar with it.

Mr. MORSE. Does the Senator agree with me that this quotation from the president of A.T. & T. makes perfectly clear what we, who are opposing this monopolistic bill, feel will happen against the best interests of the American people, if the satellite communications bill is not amended; namely, that competition will be killed?

Mr. BURDICK. There is certainly a basis for that assumption.

Mr. MORSE. Is the Senator aware that in the Look magazine article the author points out that:

> A.T. & T. officials confess that they sympathize with these complaints and worry about their customers' anger. But they also admit that, in the distant future, it is conceivable that everybody will be given a personal telephone number at birth to carry around all his life. In that futuristic day, telephones will be freed from cords and fixed locations, and every customer will be able to call any other from a telephone in his pocket. Then automation will be complete.

Is the Senator familiar with the stated attitude of the president of A.T. & T.?

Mr. BURDICK. I was not familiar with it until now.

Mr. MORSE. Did the Senator hear the Senator from Minnesota [Mr. HUMPHREY] this afternoon point out, and I paraphrase his comment, that Joe Beirne, the head of the Communications Workers of America, is for this bill?

Mr. BURDICK. I believe I heard that statement.

Mr. MORSE. But is the Senator aware that another great communications union, the Independent Telephone Workers Union, is against the bill?

Mr. BURDICK. I understand that is correct. I also understand that some official action has been taken by the AFL-CIO itself against the bill.

Mr. MORSE. Does the Senator know that Joe Beirne of the Communications Workers is a member of the executive council of the AFL-CIO?

Mr. BURDICK. I think that is correct.

Mr. MORSE. Is the Senator from North Dakota aware of the fact that, although Joe Beirne is a member of the AFL-CIO executive council, the AFL-CIO executive council at its meeting in Chicago, recently held, anounced its opposition to this monopolistic bill?

Mr. BURDICK. That is what I understand.

Mr. MORSE. Is the Senator aware that in the Look magazine article Mr. Kappel, president of A.T. & T., speaking about the A.T. & T. investment policy, is quoted as saying:

> Only management can judge that—not a sharp-penciled economist. It's the one-legged ex-motorcycle cop and the ex-drugstore clerk who got to be a commissioner, who know all about it.

He was speaking of the FCC.

Is the Senator aware that such is the attitude of the president of the A.T. & T. toward the Federal Communications Commission?

Mr. BURDICK. I was not previously aware of it, no.

Mr. KEFAUVER. Mr. President, I did not hear the last statement read by the Senator.

Mr. MORSE. The article quotes the President of the A.T. & T., showing his complete disrespect for the FCC by saying, with respect to the investment policies of A.T. & T., that:

> Only management can judge that—not a sharp-penciled economist. It's the one-legged ex-motorcycle cop and the ex-drugstore clerk who got to be a commissioner, who know all about it.

Does the Senator agree with me that this is a shocking statement for the president of the A.T. & T. to make and demonstrates clearly the kind of attitude we will have on the part of A.T. & T. when and if the Senate tomorrow gives away the public interest by passing this monopolistic bill? Does the Senator further agree that such a Senate action will strengthen the tentacles around the throats of the American taxpayers so that A.T. & T. can squeeze the last dollar of profit and the highest rate that it can extract from the taxpayers and ratepayers of America? Does the Senator agree with the Senator from Oregon on these points?

Mr. BURDICK. I would say that I am very surprised at the statement.

Mr. MORSE. Does the Senator now have better understanding why the senior Senator from Oregon has opposed so vigorously entrenching deeper the A.T. & T. into an even stronger monopolistic position than it now occupies in the American economy?

Mr. BURDICK. Apparently my friend from North Dakota, Mr. Boler, who is president of the North Dakota Broadcasting Co. thinks so, too.

Mr. MORSE. Does the Senator think that Mr. Minow, the head of the FCC ought to have called to his attention the published attitude of Mr. Kappel, the president of A.T. & T., regarding the qualifications of members of the FCC?

Mr. BURDICK. It seems so.

Mr. MORSE. Does the Senator from North Dakota agree with me that the telegram he has received from the broadcasting and TV company official from his State ought to make the Senator from North Dakota and the rest of us in this little willful band of Senators more determined, once the outrageous bill is passed, to carry the story across America to the American taxpayers as to what has happened to their interests by Senate passage?

Mr. BURDICK. In view of the vote on the last amendment, by which the Senate refused to limit stock ownership in carriers to 10 percent, it would appear that Mr. Boler of the North Dakota Broadcasting Co. would be opposed to the bill, too.

Mr. MORSE. Did the Senator from North Dakota hear the Senator from Minnesota [Mr. HUMPHREY] argue this afternoon, and I believe I paraphrase his language correctly in sense if not verbatim, that which those of us who oppose the bill point out that the FCC has never successfully completed a single general rate hearing on A.T. & T., and his answer to that argument was that if the FCC cannot regulate the A.T. & T., what makes us think that the Federal Government could operate a satellite system?

Mr. BURDICK. It is my recollection of the record that the FCC has never held a formal hearing on telephone rates.

Mr. MORSE. Does the Senator agree with me that if the FCC has never been able successfully to regulate the A.T. & T., that fact certainly could not justify entrenching A.T. & T. even more firmly into the economy by providing it with a stronger monopoly than it now possesses? Does not the Senator agree further that in place of an A.T. & T. monopoly we ought to keep our satellites, American-flag satellites, owned by all the people of the United States, and that in keeping with our private enterprise traditions, we should carry out the recommendation of Ambassador Gross and that great international lawyer, Ben Cohen, by entering into contracts on a competitive basis with all communication companies in the country which wish to join on a basis of equality to help operate our satellite communications system? Does the Senator agree?

Mr. BURDICK. I agree that one has apprehension about effective regulation of the carriers in space when there has been little activity on the ground.

Mr. MORSE. Did the Senator from North Dakota hear the Senator from Minnesota argue this afternoon, and again I must paraphrase, that because A.T. & T. will be able to select only three of the members of the board of directors, since three of the board of directors are named by the other carriers and an additional six by the general public stockholders, and another three will be appointed by the President, that therefore A.T. & T. could not possibly control the board of directors. Did the Senator hear that argument?

Mr. BURDICK. I heard it.

Mr. MORSE. Does the Senator agree with the Senator from Oregon that A.T. & T. has already shown its powerful control, and its ability to control. Its control is pretty well recognized across our country, and has been for years gone by. Time and time again it has been able to invoke its will on State legislatures. Time and time again its great lobbying power has permitted it to have its way. As I speak here in the Senate, its lobbyists are scattered throughout the galleries of the Senate Chamber. If A.T. & T. can exercise the type of control it has always been able to exercise over legislation across the country, does the Senator have any doubt about the ability of A.T. & T. also to dominate a board of directors set up under the monopolistic combine in the bill?

Mr. BURDICK. I would say they would be in a very powerful position to do so.

Mr. MORSE. Does the Senator agree with the Senator from Oregon that all we have to go on is our experience with A.T. & T.? Has not our experience with A.T. & T. in this country been one which has demonstrated that it has always functioned as a monopoly and as such against the best interests of the American people?

Mr. BURDICK. I will say that they are large, powerful, and influential.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. BURDICK. I yield.

Mr. KEFAUVER. I was just looking at the article in Look magazine to which the Senator referred. Does the Senator know that the article states that A.T. & T. spent $51,400,000 on advertising and public relations last year?

Mr. BURDICK. I did not know that until the Senator read it.

Mr. KEFAUVER. Does the Senator think that that is a mighty large amount to spend?

Mr. BURDICK. That is a great deal of money in our part of the country.

Mr. KEFAUVER. Speaking about the FCC—and I have not seen any denial of the statement—Mr. Kappel stated in the article:

It's the one-legged ex-motorcycle cop and the ex-drugstore clerk who got to be a commissioner, who know all about it.

While I know the FCC has not regulated A.T. & T., I do not know of any one-legged motorcycle cop or ex-drugstore clerk who is a commissioner. Does the Senator?

Mr. BURDICK. Not to my recollection.

Mr. MORSE. Does the Senator think that the quoted statement connotes an arbitrary and disrespectful attitude toward a Commissioner of the Federal Government?

Mr. BURDICK. I would think so.

Mr. KEFAUVER. I think the Senator from Oregon has done a mighty good public service in pointing out that article. It is shocking to me that we should want to place our destiny in the hands of a company whose chairman of the board has that attitude toward Federal employees.

Mr. MORSE. Mr. President, does the Senator yield for a question?

Mr. BURDICK. I yield.

Mr. MORSE. Did the Senator hear the Senator from Minnesota [Mr. HUMPHREY] this afternoon argue to the effect that there is no giveaway in the bill?

Mr. BURDICK. I do not recall whether I heard that remark or not.

Mr. MORSE. Will the Senator advise the Senator from Oregon as to whether the bill proposes to turn over the satellite communications system to the monopoly set up in the bill for profitmaking purposes?

Mr. BURDICK. I had that apprehension.

Mr. MORSE. Does the Senator agree with me that if we maintain a system of American-flag satellites we are in a better position to guarantee the American taxpayers a return to the Treasury of a far greater amount than the taxes the Senator from Minnesota was talking about, for the use of satellites?

Mr. BURDICK. Certainly there is a better chance for a recoupment under that system.

Mr. MORSE. Does the Senator agree with me, in rebuttal to the statements made by the Senator from Minnesota, that it is true that when we enter into a lease or contract relationship the taxpayers will benefit to a greater degree from the standpoint of economic return than if we establish a monopoly, where the taxpayers will benefit only to the extent of the taxes that are collected from the monopoly?

Mr. BURDICK. In any event, if a business makes a profit, there will be a corporation tax, whether it is given anything or not.

Mr. MORSE. Does the Senator agree with me that if the Senate had adopted the amendment which the Senator from Oregon offered, an amendment which was recommended by Ambassador Gross, recommended by Ben Cohen, and recommended by the AFL-CIO Executive Council in Chicago, and an amendment consistent with the opposition to the bill by former President Harry Truman, the Federal Government could have entered into contracts whereby all communications corporations in this country would have an equal competitive opportunity to enter into business arrangements with the Federal Government for the development of the satellite system and that the consideration for such contracts could very well have—and undoubtedly would have—returned to the taxpayers money in excess of the taxes which the monopoly would pay under the bill?

Mr. BURDICK. I do not know what it would return, but it would certainly return more. I have not heard a Senator who is opposed to the bill recommend operation. They have all recommended either lease, contract, or license. Government ownership and control does not necessarily mean operation. As for myself, for a long period of time I have recommended and sponsored the theory that the system should be owned by the Government but operated by private carriers.

Mr. MORSE. What does the Senator think of the argument as I recall it in substance, made by the Senator from Minnesota this afternoon, to the effect that because the President of the United States, the Secretary of Defense, the Secretary of State, the head of FCC, and the overwhelming majority of congressional committees which have conducted hearings on the bill are in favor of the bill, therefore the Senator from North Dakota, the Senator from Oregon, and other Members of the so-called little willful band of Senators opposed to the bill should subside? Does he feel we should agree to function as rubber-stamps in the Senate even though our study convinces us that the proponents of this bill are dead wrong insofar as the public interest is concerned?

Mr. BURDICK. The Senator and I, as lawyers, know that the greater number of witnesses does not necessarily mean the greater weight of the evidence.

Mr. MORSE. Does the Senator agree with me that the trust we owe to our people in our States is to study every bill on the basis of the facts and to exercise an honest independence of judgment on the merits of the legislation before coming to a decision on the basis of the public interest involved?

Mr. BURDICK. That is the only way we should decide it.

Mr. MORSE. Does the Senator agree with me that since, as a result of our study, we believe that this bill is decidedly against the public interest, that we ought to continue to insist that the public be informed of our position and that of the proponents of the bill with respect to the public interest aspects of the bill?

Mr. BURDICK. That is right. I yield the floor.

Mr. KEFAUVER. Mr. President, I call up my amendment identified as "8-14-62—D," and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

The PRESIDING OFFICER. Does the Senator wish to have the amendment read?

Mr. KEFAUVER. A part of it. After it has been read in part, I will ask that the further reading be suspended.

Mr. MORSE. Mr. President, I should like to have the whole amendment read. I want to hear it.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk read the amendment, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following: "That this Act may be cited as the 'Space Communications Act'.

"TITLE I—DECLARATION OF POLICY AND DEFINITIONS

"Declaration of policy and purpose

"SEC. 101. (a) The Congress hereby declares that it is the policy of the United States to establish, in conjunction and in cooperation with other countries, as expeditiously as practicable a commercial communications satellite system, as part of an improved global communications network, which will be responsive to public needs and national objectives, which will serve the communication needs of the United States and other countries, and which will contribute to world peace and understanding.

"(b) The new and expanded space communications services are to be made available as promptly as possible and are to be extended to provide global coverage at the earliest practicable date. In effectuating this program, care and attention will be directed toward providing such services to economically less developed countries and areas as well as those more highly developed, toward efficient and economical use of the electromagnetic frequency spectrum, and toward the reflection of the benefits of this new technology in both quality of services and charges for such services.

"(c) In order to facilitate this development, United States participation in the global system shall be the responsibility of the Space Communications Commission established by this Act. It is the intent of the Congress that such Commission, acting in cooperation with other departments and agencies of the Government under policies approved by the President, shall provide facilities for the rendition of space communication service, and shall provde for the operation of such facilities by authorized communications carriers. It is further the intent of the Congress that such operation shall be conducted under terms and conditions effective to insure nondiscriminatory access to such facilities and the rendition of effective and economical service to the Government for its requirements and to the public.

"(d) It is the intent of the Congress that insofar as practicable the communications satellite system shall be used for domestic as well as for international communication service. It is not the intention of the Congress to preclude the creation of additional communications satellite systems which may be required for communications needs.

"Definitions

"SEC. 102. As used in this Act—

"(1) the term 'communications satellite system' means a system of communications satellites in space whose purpose is to relay telecommunications information between satellite terminal stations, including communications satellites, satellite terminal stations, and associated equipment and facilities required for launching, tracking, guid-

ing, controlling, commanding, and utilizing communications satellites for space communications purposes;

"(2) the term 'satellite terminal station' means a complex of communication equipment located on the earth's surface, operationally connected with one or more terrestrial communications systems, which is capable of transmitting telecommunications to or receiving telecommunications from a communications satellite system;

"(3) the term 'communications satellite' means an earth satellite which is intentionally used to relay telecommunication information;

"(4) the term 'associated equipment and facilities' means all facilities (other than satellite terminal stations and communications satellites) required for the primary purpose of establishing and operating a communications satellite system, whether for administration and management, for research and development, or for direct support of the space operations incident to the rendition of space communications service;

"(5) the term 'space communications service' means the rendition or furnishing of telecommunication service through the use in whole or in part of a communications satellite system;

"(6) the term 'telecommunication' means any transmission, emission, or reception of signs, signals, writings, images, and sounds or intelligence of any nature by wire, radio, optical, or other electromagnetic systems;

"(7) the term 'research and development' means the conception, design, and first creation of experimental or prototype operational devices for the operation of a communications satellite system, including the assembly of separate components into a working whole, but does not include the construction of such devices through repetitive duplication to fixed specifications compatible for operational applications; and

"(8) the term 'communications common carrier' has the same meaning as the term 'common carrier' has when used in the Communications Act of 1934, as amended;

"(9) the term 'authorized carrier' means a communications common carrier which has been authorized by the Federal Communications Commission under the Communications Act of 1934, as amended, to provide services by means of communications satellites;

"(10) the term 'Commission' means the Space Communications Commission established by this Act;

"(11) the term 'Administration' means the National Aeronautics and Space Administration; and

"(12) the term 'Communications Commission' means the Federal Communications Commission.

"TITLE II—FEDERAL PLANNING, COORDINATION, AND REGULATION

"The President

"SEC. 201. In order to achieve the objectives and to carry out the purposes of this Act the President shall—

"(1) plan, develop, supervise, and foster the execution of a national program for the establishment by the Commission and the operation, as expeditiously as possible, of a communications satellite system;

"(2) provide through the National Aeronautics and Space Council for the continuous review and coordination of the activities of all Government departments and agencies in all phases of the development and operation of such a system;

"(3) supervise relationships of the Commission with foreign governments, other foreign entities, and international organizations as may be necessary to assure that such relationships shall be consistent with the national interest and the foreign policy of the United States;

"(4) insure that timely arrangements are made under which there can be foreign participation in the establishment and use of a worldwide communications satellite system;

"(5) take all necessary steps to insure the availability of the communications satellite system for general governmental purposes; and

"(6) take appropriate action for the attainment of coordinated and efficient use of the electromagnetic spectrum and the technical compatibility of the system with communications facilities in the United States and abroad.

"National Aeronautics and Space Administration

"SEC. 202. To carry out the purposes of this Act, the National Aeronautics and Space Administration, under policies approved by the President shall—

"(1) advise and consult with the Commission and the Communications Commission as to the technical characteristics and requirements of the communications satellite system;

"(2) cooperate with the Commission in research and development activities required for the establishment and operation of the communications satellite system;

"(3) assist the Commission in the conduct of its research and development program by furnishing to the Commission, on a reimbursable basis, such satellite launching and associated services as may be necessary for the most expeditious and economical establishment and development of a communications satellite system;

"(4) furnish to the Commission, on request and on a reimbursable basis, satellite launching and associated services required for the establishment, operation, and maintenance of the communications satellite system; and

"(5) furnish to the Commission, on a reimbursable basis, such other services as it may require in connection with the establishment and operation of the system.

"Federal Communications Commission

"SEC. 203. (a) To carry out the purposes of this Act, the Federal Communications Commission, in its administration of the provisions of the Communications Act of 1934, as amended, and as supplemented by this Act, shall—

"(1) upon application made by any communications common carrier which is obligated by lease, contract, or other arrangement with the Commission to render space communications service through the use of facilities of the Commission, grant authorization to such carrier for the rendition of that service under such terms and conditions as the Federal Communications Commission shall determine to be required for compliance with the provisions of this Act;

"(2) insure effective competition, including the use of competitive bidding where appropriate, in the procurement by authorized communications common carriers of apparatus, equipment, and services required for the rendition of space communications service;

"(3) insure that all departments and agencies of the United States shall have full and adequate space communication service, and that all present and future authorized carriers shall have nondiscriminatory use of, and equitable access to, space communication service;

"(4) insure that all space communication service is rendered under just and reasonable charges, classifications, practices, and regulations; such services rendered to the United States Government and agencies thereof shall be at preferential rates;

"(5) prescribe such other terms and conditions as may be required to regulate in the public interest the manner in which available facilities of the communications satellite system are allocated among users of space communications service;

"(6) render such advice and assistance to the Commission as may be required to insure that facilities of the communications satellite system and satellite terminal stations are technically compatible and interconnected operationally with each other and with existing communications facilities;

"(7) prescribe such accounting regulations and systems, and initiate such ratemaking proceedings, as will insure that any economies to communications common carriers made possible through the use of the communications satellite system are appropriately reflected in reductions in rates charged by such carriers for communication services; and

"(8) make such rules and regulations as the Federal Communications Commission shall determine to be necessary to carry out the provisions of this title.

"(b) In order to insure that small business concerns are given an equitable opportunity to share in the procurement programs of the Commission and communications common carriers for property and services (including but not limited to research, development, construction, maintenance, and repair), the Federal Communications Commission shall cooperatively develop with the Small Business Administration within four months after the effective date of this Act a small business contracting program which shall contain such provisions as may be necessary to (A) enable small business concerns to receive, either directly or as subcontractors, a fair proportion of the contracts and procurements for property and services (including but not limited to research, development, construction, maintenance, and repair) awarded in the implementation and effectuation of the purposes of this Act, and (B) enable the Small Business Administration to obtain from the Commission and communications common carriers such reasonably obtainable information concerning contracts and procurements, including subcontracts thereunder, awarded in the implementation and effectuation of the purposes of this Act. In the event the Federal Communications Commission and the Small Business Administration cannot reach agreement on any matter with regard to the development of the small business contracting program, the matter in disagreement shall be submitted to the President who shall make the final determination.

"Secretary of State

"SEC. 204. Under the direction of the President, the Secretary of State shall conduct or supervise such negotiations with foreign governments and international bodies as may be required for the attainment of the objectives described in section 101 of this Act.

"TITLE III—ESTABLISHMENT OF THE SPACE COMMUNICATIONS COMMISSION

"Space Communications Commission

"SEC. 301. (a) There is established a Space Communications Commission, which shall be composed of five members, each of whom shall be a citizen of the United States. The President shall designate one member of the Commission as Chairman thereof to serve as such during the pleasure of the President.

"(b) The Chairman may from time to time designate any other member of the Commission as Acting Chairman to act in the place of the Chairman during his absence. The Chairman (or the Acting Chairman in the absence of the Chairman) shall preside at all meetings of the Commission and a quorum for the transaction of business shall consist of at least three members present.

"(c) Each member of the Commission, including the Chairman, shall have equal responsibility and authority in all decisions

and actions of the Commission, shall have full access to all information relating to the performance of his duties or responsibilities, and shall have one vote. Action of the Commission shall be determined by a majority vote of the members present. The Chairman (or Acting Chairman in the absence of the Chairman) shall be the official spokesman of the Commission in its relations with the Congress, Government agencies, persons or the public, and on behalf of the Commission, shall see to the faithful execution of the policies and decisions of the Commission, and shall report thereon to the Commission from time to time or as the Commission may direct.

"(d) The Commission shall have an official seal which shall be judicially noticed.

"Appointment, terms, and compensation of members

"SEC. 302. (a) Members of the Commission shall be appointed by the President, by and with the advice and consent of the Senate. In submitting any nomination to the Senate, the President shall set forth the experience and qualifications of the nominee. Each member, except the Chairman, shall receive compensation at the rate of $22,000 per annum. The member designated as Chairman shall receive compensation at the rate of $22,500 per annum.

"(b) The term of office of each member of the Commission taking office after June 30, 1962, shall be five years, except (1) the terms of office of the members first taking office after June 30, 1962, shall expire as designated by the President at the time of the appointment, one at the end of one year, one at the end of two years, one at the end of three years, one at the end of four years, and one at the end of five years, after June 30, 1962; and (2) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term.

"(c) Any member of the Commission may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

"(d) No individual who is affiliated with any communications common carrier may serve as a member of the Commission. As used in this subsection—

"(1) the term 'person affiliated with a communications common carrier' means any individual who is an officer or a director, or who holds legal title to or any beneficial interest in more than two hundred shares of the stock of any class, of any corporation which is a communications common carrier or a parent or subsidiary corporation of any such common carrier;

"(2) the term 'parent corporation' means a corporation which has control over another corporation;

"(3) the term 'subsidiary corporation' means a corporation which is subject to control by another corporation; and

"(4) the term 'control', when used with respect to any corporation, means (A) the beneficial ownership of more than 25 per centum of the share capital of any class of that corporation, or (B) the exercise in fact of control over the policies or activities of that corporation by contract or otherwise.

"Principal office

"SEC. 303. (a) The principal office of the Commission shall be in or near the District of Columbia, but the Commission or any duly authorized representative may exercise any or all of its powers in any place.

"(b) The Commission shall maintain an office for the service of process and papers within the District of Columbia.

"General manager, deputy, and assistant general managers

"SEC. 304. There is established within the Commission—

"(a) A General Manager, who shall be the chief executive officer of the Commission, and who shall discharge such of the administrative and executive functions of the Commission as the Commission may direct. The General Manager shall be appointed by the Commission, shall serve at the pleasure of the Commission, shall be removable by the Commission, and shall receive compensation at a rate determined by the Commission, but not in excess of $22,000 per annum.

"(b) A Deputy General Manager, who shall act in the place of the General Manager during his absence when so directed by the General Manager, and who shall perform such other administrative and executive functions as the General Manager shall direct. The Deputy General Manager shall be appointed by the General Manager with the approval of the Commission, shall serve at the pleasure of the General Manager, shall be removable by the General Manager, and shall receive compensation at a rate determined by the General Manager, but not in excess of $20,500 per annum.

"(c) Assistant General Managers, or their equivalents (not to exceed a total of three positions), who shall perform such administrative and executive functions as the General Manager shall direct. They shall be appointed by the General Manager with the approval of the Commission, shall serve at the pleasure of the General Manager, shall be removable by the General Manager, and shall receive compensation at a rate determined by the General Manager, but not in excess of $20,000 per annum.

"Other officers

"SEC. 305. There shall be established within the Commission—

"(a) such program divisions (not to exceed ten in number) as the Commission may determine to be necessary for the discharge of its responsibilities. Each such division shall be under the direction of a Director who shall be appointed by the Commission and shall receive compensation at a rate determined by the Commission but not in excess of $19,000 per annum. The Commission shall require each such division to exercise such of the Commission's administrative and executive powers as the Commission may determine;

"(b) an Office of the General Counsel, which shall be under the direction of a General Counsel, who shall be appointed by the Commission and shall receive compensation at a rate determined by the Commission, but not in excess of $19,500 per annum;

"(c) an Inspection Division, which shall be under a Director, who shall be appointed by the Commission and shall receive compensation at a rate determined by the Commission, but not in excess of $19,500 per annum. The Inspection Division shall be responsible for gathering information to ascertain whether the contractors, licensees, and officers and employees of the Commission are complying with the provisions of this Act and applicable rules and regulations of the Commission; and

"(d) such other executive management positions (not to exceed six in number) as the Commission may determine to be necessary to be discharged of its responsibilities. Such positions shall be established by the General Manager with the approval of the Commission. They shall be appointed by the General Manager with the approval of the Commission, shall be removable by the General Manager, and shall receive compensation at a rate determined by the General Manager, but not in excess of $18,500 per annum.

"Employees of the Commission

"SEC. 306. In the performance of its functions the Commission may appoint and fix the compensation of such officers and employees as may be necessary to carry out the functions of the Commission. Such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1949, as amended, except that, to the extent the Commission deems such action necessary to the discharge of its responsibilities, personnel may be employed and their compensation fixed without regard to such laws. No officer or employee (except such officers and employees whose compensation is fixed by law, and scientific and technical personnel) whose position would be subject to the Classification Act of 1949, as amended, if such Act were applicable to such position, shall be paid a salary at a rate in excess of the rate payable under such Act for positions of equivalent difficulty or responsibility. The Commission shall make adequate provision for administrative review of any determination to dismiss any employee.

"Space Communication Advisory Committee

"SEC. 307. (a) There shall be a Space Communication Advisory Committee to advise the Commission on scientific and technical matters relating to materials, production, and research and development required for the establishment and operation of the communications satellite system. The Committee shall be composed of nine members, who shall be appointed from civilian life by the President from individuals specially qualified by training and experience to render such advice.

"(b) Each member of the Committee shall hold office for a term of six years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term, and (2) the terms of office of the members first taking office after September 1, 1962, shall expire, as designated by the President at the time of appointment, three at the end of two years, three at the end of four years, and three at the end of six years, after September 1, 1962.

"(c) The Committee shall designate one of its own members as Chairman. The Committee shall meet at least four times in every calendar year.

"(d) Members of the Committee shall receive a per diem compensation not exceeding $100 for each day spent in meetings or conferences, and shall be reimbursed for necessary traveling and other expenses incurred while engaged in the work of the Committee.

"TITLE IV—POWERS AND DUTIES OF THE COMMISSION

"Duties of the Commission

"SEC. 401. (a) In order to achieve the objectives and to carry out the purposes of this Act, the Commission, through the exercise of powers conferred upon it by section 402, shall—

"(1) plan, initiate, construct, own, manage, and maintain the communications satellites, satellite terminal stations, and associated equipment and facilities which comprise the contribution of facilities of the United States to the establishment and maintenance of the communications satellite system in conformity with international agreements entered into with the approval of the President; and

"(2) provide, by contract, lease, or other arrangement, for the rendition by communications common carriers of space communication service for the public and for departments and agencies of the United States, through the use of the facilities of the Commission, in compliance with the provisions of this Act. Communications services utilizing satellite communication facilities shall be provided to departments and agencies of the United States at special preferential rates.

"(b) Each contract, lease, or other arrangement entered into by the Commission for the rendition of space communications

service by any communications common carrier through the use of facilities of the Commission shall contain such provisions as the Commission, with the approval of the Attorney General, shall determine to be effective to insure—

"(1) the rendition by that carrier of adequate, efficient, nondiscriminatory and economical space communications service to the public and to departments and agencies of the Government;

"(2) compliance by that carrier with the provisions of this Act and with applicable orders, rules, and determinations made by the Commission and by the Federal Communications Commission with respect to the rendition of such service;

"(3) compliance by that carrier with the provisions of applicable treaties and agreements in effect between the United States and foreign governments with respect to the operation of the communications satellite system;

"(4) payment by that carrier to the Commission for the use of facilities of the Commission of compensation at rates adequate to reimburse the Commission for all costs incurred by the United States in providing those facilities; and

"(5) compliance by that carrier with such terms and conditions, consistent with policies prescribed by the President, as the Commission shall include in that contract, lease, or other arrangement to carry into effect the provisions of this Act.

"General powers of the Commission

"SEC. 402. In the performance of its functions, the Commission is authorized—

"(1) to make, promulgate, issue, rescind, and amend rules and regulations governing the manner of its operations and the exercise of the powers vested in it by law;

"(2) to acquire in conformity with the provisions of the Federal Property and Administrative Services Act of 1949 (by purchase, lease, condemnation, or otherwise) real and personal property (including patents), or any interest therein within and outside the continental United States;

"(3) to acquire by lease or otherwise, through the Administrator of General Services, buildings or parts of buildings in the District of Columbia for the use of the Administration for a period not to exceed ten years without regard to the Act of March 3, 1877 (40 U.S.C. 34);

"(4) to dispose of real and personal property (including patents and rights thereunder) in accordance with the provisions of the Federal Property and Administrative Services Act of 1949;

"(5) to accept unconditional gifts or donations of services, money, or property, real, personal, or mixed, tangible or intangible;

"(6) to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of its work and on such terms as it may deem appropriate, with any agency or instrumentality of the United States, or with any State, territory, or possession, or with any political subdivision thereof, or with any person, firm, association, corporation, or educational institution;

"(7) to use, with their consent, the services, equipment, personnel, and facilities of Federal and other agencies with or without reimbursement, and on a similar basis to cooperate with other public and private agencies, and instrumentalities in the use of services, equipment, and facilities. Each department and agency of the Federal Government shall cooperate fully with the Commission in making its services, equipment, personnel, and facilities available to the Commission, and any such department or agency is authorized, notwithstanding any other provision of law, to transfer to or to receive from the Commission, without reimbursement, equipment, facilities, and supplies (other than administrative supplies or equipment) required for the performance of the duties of the Commission;

"(8) to obtain services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed $100 per diem for individuals;

"(9) when determined by the Commission to be necessary, and subject to such security investigations as he may determine to be appropriate, to employ aliens without regard to statutory provisions prohibiting payment of compensation to aliens; and

"(10)(A) to consider, ascertain, adjust, determine, settle, and pay, on behalf of the United States, in full satisfaction thereof, any claim for $5,000 or less against the United States for bodily injury, death, or damage to or loss of real or personal property resulting from the conduct of the functions of the Commission if such claim is presented to the Commission in writing within two years after the accident or incident out of which the claim arises; and

"(B) if the Commission considers that a claim in excess of $5,000 is meritorious and would otherwise be covered by this paragraph, to report the facts and circumstances thereof to the Congress for its consideration.

"Property rights in inventions

"SEC. 403. (a) Whenever any invention is made in the course of or incident to the performance of any contract entered into by or on behalf of the Commission, such invention shall be the exclusive property of the Commission, and if such invention is patentable, a patent therefor shall be issued to the Commission notwithstanding any other provision of law upon application made by the Commission unless the Commission waives all or any part of its rights to such invention in compliance with the provisions of this section. No patent may be issued to any applicant other than the Commission for any invention which appears to the Commissioner of Patents to have significant utility in the development or operation of a communications satellite system, a satellite terminal station, or associated equipment and facilities unless—

"(1) the applicant files with the Commissioner of Patents, with the application or within thirty days after request therefor by the Commissioner, a written statement executed under oath setting forth the full facts concerning the circumstances under which such invention was made and stating the relationship (if any) of such invention to the performance of any contract of the Commission; and

"(2) the Commission transmits to the Commissioner of Patents a written certification to the effect that such invention is not subject to the provisions of this section.

Copies of each such statement and the application to which it relates shall be transmitted forthwith by the Commissioner of Patents to the Commission.

"(b) Whenever application is made by the Commission under subsection (a) for the issuance of any patent to the Commission, determination of any question arising with respect to its entitlement under that subsection to receive that patent shall be made in conformity with the provisions of subsections (d) and (e) of section 305 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2457).

"(c) Each contract entered into by the Commission with any party for the performance of any scientific, technological, or developmental activity shall contain effective provisions under which such party shall furnish promptly to the Commission a written report containing full and complete technical information concerning any invention, discovery, improvement, or innovation which may be made in the performance of such activity.

"(d) Under such regulations as the Commission shall adopt in compliance with the provisions of this section the Commission may waive all or any part of its proprietary rights under this section with respect to any invention or class of inventions made, or which may be made, by any person or class of persons in the performance of any activity required by any contract of the Commission if the Commission determines that the fulfillment of the purposes of this Act will be facilitated thereby. Any such waiver may be made upon such terms and under such conditions as the Commission shall determine to be required for the protection of the public interest. Each such waiver made with respect to any invention shall include provisions effective to reserve an irrevocable, nonexclusive, nontransferable, royalty-free license for the practice of such invention throughout the world by or on behalf of the United States Government or any department, agency, or instrumentality thereof, or any foreign government pursuant to any treaty or agreement with the United States. Each proposal for any waiver under this subsection shall be referred to an Inventions Board which the Commission shall establish. Such Board shall accord to each interested party an opportunity for hearing, and shall transmit to the Commission its findings of fact with respect to each such proposal and its recommendations for action to be taken with respect thereto.

"(e) The Commission shall determine, and promulgate regulations specifying, the terms and conditions upon which licenses will be granted by the Commission for the practice by any nongovernmental person of any invention for which the Commission holds a patent.

"(f) The Commission shall take suitable and necessary action to protect any invention or discovery in which it has any proprietary interest. The Commission shall take appropriate action to insure that any nongovernmental person who acquires any proprietary interest in any invention or discovery under this section will take appropriate action to protect that invention or discovery.

"(g) As used in this section—

"(1) the term 'person' means any individual, partnership, corporation, association, institution, or other entity;

"(2) the term 'contract' means any actual or proposed contract, agreement, understanding, or other arrangement, including any assignment, substitution of parties, or subcontract executed or entered into thereunder; and

"(3) the term 'made', when used in relation to any invention, means the conception or first actual reduction to practice of such invention.

"Control in time of war

"SEC. 404. Each contract, lease, or other arrangement entered into by the Commission for the use, by any communications common carrier, of any property of the Commission shall contain provisions effective to insure that in time of war or national emergency declared by the President or by the Congress, the Commission may take possession and assume control of all or any part of such property for the use of the Government of the United States or any of the Armed Forces thereof.

"TITLE V—MISCELLANEOUS

"Applicability of Communications Act of 1934

"SEC. 501. The provision of space communication service by one communications common carrier to one or more other communications common carriers shall be deemed to be a common carrier activity fully subject to the Communications Act of 1934, as amended. Whenever the application of the provisions of this Act is determined to be inconsistent with the application of the provisions of the Communications Act of 1934, the provisions of this Act shall govern.

"National Aeronautics and Space Council

"SEC. 502. Section 201(a) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2471(a)), is amended by—

"(1) striking out the word 'and' where it appears following the semicolon in paragraph (4) thereof;

"(2) striking out the period at the end thereof, and inserting in lieu thereof a semicolon and the word 'and'; and

"(3) adding at the end thereof the following new paragraph:

"'(6) the Chairman of the Space Communications Commission.'

"Reports to the Congress

"SEC. 503. (a) The President shall transmit to the Congress in January of each year a report which shall include (1) a comprehensive description of the activities and accomplishments of departments and agencies of the Government during the preceding calendar year under the provisions of this Act; (2) an evaluation of such activities and accomplishments in terms of the attainment of the objectives of this Act; and (3) any recommendations for additional legislative or other action which the President may consider necessary or desirable for the attainment of such objectives.

"(b) The Commission shall transmit to the President and the Congress, annually and at such other times as it deems desirable, a comprehensive and detailed report of its operations, activities, and accomplishments under this Act.

"(c) The Federal Communications Commission shall transmit to the Congress, annually and at such other times as it deems desirable, a report concerning (1) its activities and actions pursuant to the provisions of this Act; (2) an evaluation of such activities and actions taken by communications common carriers engaged in activities authorized by this Act; and (3) its recommendations for such additional legislation as it may consider to be necessary in the public interest for the effectuation of the purposes of this Act.

"Appropriations

"SEC. 504. There are hereby authorized to be appropriated to each department and agency of the United States charged with any responsibility under this Act such sums as may be required for the performance of its duties under this Act."

Mr. KEFAUVER. Mr. President, a great deal of care has been taken by the members of the staff, by me, and by others in the preparation of the proposed measure.

The substitute would establish an AEC type of direction for space satellite communications. That is, the President of the United States would appoint a Commission composed of five members, whose nominations would be approved by the Senate.

It is envisioned that the Commission itself, or the Government, would actually own the satellite, and that that would be all the Government would own directly, except by lease and contract, as I shall explain.

Of course, channels would have to be assigned, on a nondiscriminatory basis to those who wished to use the satellite, and it would have to be in accordance with international agreement.

The proposal does not envision that the Government would get into the telephone business. It envisions that the ground stations would be built, under contract, by private industry; and that telephone companies and other communications carriers would have the right to use, by lease or otherwise, the ground stations, as provided on page 20.

This would not contemplate that the Government would have any part to play except as to the making of policy. According to the bill everything else would be operated in about the same way as operations are conducted under the Atomic Energy Commission Act, which has been so successful.

I wish to make it clear that all the talk about having either a private corporation or a Government corporation does not relate to the intent of most of the opponents of the bill.

This proposal represents an AEC-type control over the radio and television operations, all to be done by private industry, but it would give the Government control over the satellites and the policies as to operations.

This is a reasonable alternative. It is a good one. It is one which has proved out in the Atomic Energy Commission operations. This is the type recommended by the Rand Corp. study in the report to NASA. This is the type of operation which it was thought would be most efficient.

Mr. President, most of my time has expired, so I yield the floor.

Mr. MANSFIELD and Mr. KEATING addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MANSFIELD. Mr. President, I move to lay on the table the amendment to the committee amendment offered by the Senator from Tennessee.

Mr. MORSE. 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. GOLDWATER. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

Mr. MANSFIELD. Mr. President, I object.

Mr. KEFAUVER. Mr. President——

The PRESIDING OFFICER. Objection is heard. The clerk will continue the call of the roll.

The Chief Clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

[No. 198 Leg.]

Aiken	Hickey	Morton
Bartlett	Hill	Mundt
Beall	Holland	Muskie
Bennett	Hruska	Pastore
Boggs	Humphrey	Pell
Bottum	Jackson	Prouty
Burdick	Javits	Proxmire
Bush	Johnston	Randolph
Byrd, W. Va.	Jordan, N.C.	Russell
Cannon	Jordan, Idaho	Scott
Carlson	Keating	Smathers
Carroll	Kefauver	Smith, Mass.
Case	Kerr	Smith, Maine
Church	Kuchel	Sparkman
Cooper	Long, Hawaii	Stennis
Cotton	Long, La.	Symington
Dodd	Magnuson	Talmadge
Douglas	Mansfield	Thurmond
Ervin	McCarthy	Tower
Fong	McClellan	Williams, N.J.
Fulbright	McGee	Williams, Del.
Goldwater	McNamara	Yarborough
Gore	Metcalf	Young, N. Dak.
Hart	Miller	Young, Ohio
Hartke	Monroney	
Hickenlooper	Morse	

The PRESIDING OFFICER. A quorum is present.

Mr. MANSFIELD. Mr. President, at the request of the Senator from Colorado [Mr. CARROLL], who I understand wishes to make a brief statement on the pending substitute amendment, I withhold my motion to table for the time being.

The PRESIDING OFFICER. The motion is withheld.

Mr. CARROLL. Mr. President, I express my thanks to the majority leader. My statement will be brief, requiring 5 minutes or less.

The agreement, as I understand it is that after my statement, the motion to table the amendment will again become the order of business, and there will then be a yea-and-nay vote on the amendment.

The amendment we have before us is similar to one considered by the Foreign Relations Committee which would have expanded the role of NASA——

Mr. DOUGLAS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. The Senate is not yet in order.

The Senator from Colorado is recognized.

Mr. CARROLL. Mr. President, I had two reasons for voting against the motion for cloture.

First, I thought, in the national interest, we ought to bring about greater control of the corporation proposed in the bill through the so-called NASA amendment offered in the Foreign Relations Committee by the able Senator from Oregon [Mr. MORSE], which would have enlarged the powers of NASA itself in connection with space communications.

My second reason was the amendment now pending before the Senate. In the past week I have studied the amendment very seriously to determine whether I would offer it.

I wish the RECORD to show that out of the 1 hour allotted to the junior Senator from Colorado under the cloture rules, this is the first time he has had the opportunity to speak on the bill.

I wish the RECORD to show further that at no time has the junior Senator from Colorado participated in what might be known as a filibuster nor has he spoken on the bill more than 10 or 15 minutes.

The amendment we are now considering proposes the creation of a space communications commission, which might be comparable in legislative history to the creation of the AEC at the close of World War II.

I have discussed this proposal with lawyers, and experts, and asked them to examine the history of how the Atomic Energy Commission was created by the Congress. I have before me a book entitled "The New World—1939–1946," in which the story of the creation of the U.S. Atomic Energy Commission is documented. I have spent several days studying that story. The junior Senator from Colorado was not a Member of Congress when the AEC was formed. But, as I recall, there was then a serious

dispute between the military and civilians for supremacy in the future development and control of nuclear energy. That debate endured for months and was participated in by some of the most distinguished men who have ever sat in the Senate. Brien McMahon was one. Arthur Vandenburg was another. Months passed before that complicated policy question could be resolved. It was eventually resolved by the creation of a Commission that directed the progress of this new scientific development.

It is said by some that the AEC was really the greatest Government socialistic monopoly created in the history of our Nation; that if established, the AEC, it was certain that the Nation was on the road to socialism; I say—nonsense. Now, I have reservations about some of the provisions of the amendment before us.

For example, while it would extend necessary control in the public interest, the amendment may go beyond that control alone and may include the concept of public ownership. I said the other day in debate that I did not favor public ownership. However, I do think that a Space Communications Commission, or an enlargement of the power of NASA in this field, could be developed that would be entirely compatible with our free enterprise system.

I would prefer debating the amendment previously offered by the senior Senator from Oregon, which would have enlarged the power of NASA, and thus have given greater control of this new scientific development, without Government ownership, to the Federal Government, in the national interest.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CARROLL. I yield.

Mr. MORSE. Mr. President, does the Senator agree with me that the Morse-NASA amendment would have kept the American-flag satellite under the jurisdiction of the Federal Government through NASA and would have given every communication corporation in America that wanted to come in on the ground floor in developing the communications satellite system an equal chance on the basis of the precious private enterprise system of competition?

Mr. CARROLL. It is my understanding that it was intended to achieve that result. I believe I am correct when I say that we have appropriated approximately $25 billion for development of the rocket programs. I believe I am correct when I say that almost $500 million has gone into the development of a communication satellite program. This being true, it would seem to me that in consideration of the national interest, the question is how we can control and develop it and make it more successful. This is not a question of public ownership. This is not a Fabian philosophy. But it must be a question of serious and extensive debate in the Senate.

Many Members of the other body have come to me and said, "We really did not understand what this issue was." I can understand why they did not understand it. It is a very complex issue. I have spent days examining the background of the Atomic Energy Commission, in an effort to determine if there was a useful analogy between it and a possible Space Communications Commission.

I will not labor this point any further, except to say that I sincerely appreciate the courtesy of the majority leader. He could have insisted upon making his motion to table, and I would have been shut off again. I say "again" because I want the able senior Senator from Oregon to know that when he brought up his NASA amendment I did not realize that I would not have the opportunity to speak on that amendment. I was having lunch at that time, but I thought there would be ample time for me to use a part of my hour in that debate. However, a motion to table was offered before I returned. That is one of the reasons why I have continued to vote against the tabling motions, because I believe the use of this device violates the principle of rule XXII.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CARROLL. I yield.

Mr. MORSE. Did I correctly understand the Senator to say that Members of the House have come to him and said that they did not understand the complexities of the bill when they voted for it?

Mr. CARROLL. They have been on the floor of the Senate, and discussed it with me. They stated they were not fully aware of its complexities.

Mr. MORSE. Does the Senator believe that perhaps one reason for the lack of understanding in the House was that they labored for 2 days under a 2-hour rule, which means that in 2 days they had a total of 4 hours of debate on the bill?

Mr. CARROLL. It seems to be a reasonable explanation as to why they might not have understood it.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CARROLL. I yield.

Mr. MORSE. Does the Senator agree with me that we in the Senate ought to protect the right of Members of the Senate to have full debate on each of the amendments, so that we will not find ourselves in the position in which Members of the House found themselves?

Mr. CARROLL. I agree with the Senator. However, I wish to say to the Senator from Oregon—he asked my opinion and I will give him my frank opinion—that I believe too many amendments have been filed to this bill. I believe we might have limited ourselves to four or five basic amendments, which we could have debated thoroughly and deliberately. I believe that should have been done at the outset. I have no desire to be a part of obstructionist efforts and I accuse no one else of such tactics. I contend there must be ample opportunity for intelligent debate on a most complex bill involving a new scientific discovery. I have said previously that I was not present in Washington when the debate began. I missed a full week of it due to illness. In my opinion it would have been far better to have four or five key amendments offered and debated in the beginning.

The majority leader has been very courteous to me. I said I would take about 5 minutes. My time is up. I thank the majority leader for giving me an opportunity to express my thoughts. This is a very important amendment, and I will vote against the motion to table.

Mr. MANSFIELD. It is always a pleasure to yield to the Senator from Colorado.

Mr. President, I move to table the amendment, and ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METCALF (when his name was called). On this vote I have a live pair with the junior Senator from Oregon [Mrs. NEUBERGER]. If she were present and voting, she would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from California [Mr. ENGLE], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Ohio [Mr. LAUSCHE], the Senator from Missouri [Mr. LONG], the Senator from Utah [Mr. MOSS], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Virginia [Mr. ROBERTSON], are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], and the Senator from Arizona [Mr. HAYDEN], are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Nevada [Mr. BIBLE], the Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from California [Mr. ENGLE], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Ohio [Mr. LAUSCHE], and the Senator from Missouri [Mr. LONG], would each vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Pennsylvania [Mr. CLARK]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Pennsylvania would vote "nay."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Arizona [Mr. HAYDEN]. If present and voting, the Senator from Alaska would vote "nay" and the Senator from Arizona would vote "yea."

On this vote, the Senator from Utah [Mr. MOSS] is paired with the Senator from Virginia [Mr. ROBERTSON]. If present and voting, the Senator from Utah

would vote "nay" and the Senator from Virginia would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Maryland [Mr. BUTLER], the Senator from Illinois [Mr. DIRKSEN], the Senator from New Hampshire [Mr. MURPHY], and the Senator from Massachusetts [Mr. SALTONSTALL], are necessarily absent and, if present and voting, would each vote "yea."

The Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. CURTIS], the Senator from Kansas [Mr. PEARSON], and the Senator from Wisconsin [Mr. WILEY], are detained on official business and, if present and voting, would vote "yea."

The result was announced—yeas 64, nays 11, as follows:

[No. 199 Leg.]

YEAS—64

Aiken	Hill	Pastore
Beall	Holland	Pell
Bennett	Hruska	Prouty
Boggs	Humphrey	Proxmire
Bottum	Jackson	Randolph
Bush	Javits	Russell
Byrd, W. Va.	Johnston	Scott
Cannon	Jordan, N.C.	Smathers
Carlson	Jordan, Idaho	Smith, Mass.
Case	Keating	Smith, Maine
Church	Kerr	Sparkman
Cooper	Kuchel	Stennis
Cotton	Magnuson	Symington
Dodd	Mansfield	Talmadge
Ervin	McCarthy	Thurmond
Fong	McClellan	Tower
Fulbright	McGee	Williams, N.J.
Goldwater	Miller	Williams, Del.
Hart	Monroney	Young, N. Dak.
Hartke	Morton	Young, Ohio
Hickenlooper	Mundt	
Hickey	Muskie	

NAYS—11

Bartlett	Gore	McNamara
Burdick	Kefauver	Morse
Carroll	Long, Hawaii	Yarborough
Douglas	Long, La.	

NOT VOTING—25

Allott	Dirksen	Moss
Anderson	Eastland	Murphy
Bible	Ellender	Neuberger
Butler	Engle	Pearson
Byrd, Va.	Gruening	Robertson
Capehart	Hayden	Saltonstall
Chavez	Lausche	Wiley
Clark	Long, Mo.	
Curtis	Metcalf	

So the motion to lay on the table was agreed to.

ORDER OF BUSINESS—ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I should like to have the attention of the Senate. After a discussion of the subject with many Members of the Senate on both sides of the aisle, it has been decided that there will be only one more amendment before the Senate for consideration tonight, and that then, with the concurrence of the Senate, a recess will be taken until 10 o'clock tomorrow morning.

Mr. President, I ask unanimous consent that when the business for today has been concluded, the Senate take a recess until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, it is further the understanding of the leadership and other Senators that there may be as many as six or seven yea-and-nay votes tomorrow. It is anticipated that the vote on the passage of the bill may occur at about 3 o'clock.

Mr. KEATING. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I am glad to yield.

Mr. KEATING. Is it the intention of the leadership to call up the farm bill following the conclusion of the consideration of the measure now before the Senate?

Mr. MANSFIELD. It is, and that was stated at the time the original agreement was reached to refer the communications satellite bill to the Committee on Foreign Relations. That intention has been reiterated several times since then, and the leadership feels bound by the statements and pledges it has made. I am sure the Senator from New York understands that position.

Mr. KEATING. I thoroughly understand the problems which the leadership faces. Some of us are violently opposed to the farm bill; and in the allotment of our time, it is very important for us to know the intention of the leadership.

Mr. MANSFIELD. The Senator from Montana understands.

Mr. MUNDT. Mr. President, will the majority leader yield?

Mr. MANSFIELD. I yield.

Mr. MUNDT. Is it the plan of the majority to hold a session of the Senate on Saturday for the consideration of the farm bill, or to call up the farm bill on Friday with the expectation that the voting will take place sometime in the following week?

Mr. MANSFIELD. My guess is that the vote on the farm bill might occur some time in the following week; but I believe, due to the lateness of the session, the Senate should anticipate the possibility of being in session practically every Saturday, beginning with this Saturday, to take up other measures as well, because the calendar is becoming a little heavy.

Mr. MUNDT. I take it, then, that the majority leader is not pressing for a vote on the passage of the farm bill on Saturday and is not anticipating that?

Mr. MANSFIELD. No.

Mr. LONG of Louisiana. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. LONG of Louisiana. Does the Senator from Montana understand that he does not have a unanimous-consent agreement?

Mr. MANSFIELD. Absolutely.

Mr. LONG of Louisiana. He has nothing more than a gentleman's agreement with a number of Senators.

Mr. MANSFIELD. That is correct. In turn, those Senators have my word. I am sure the understanding is mutually acceptable to both sides and will be honored by both sides.

Mr. LONG of Louisiana. But the Senator from Montana understands very well that a number of Senators are not bound by the agreement. That is understood, is it not?

Mr. MANSFIELD. I understand that. I am sure the Senate understands it. I have not made a unanimous-consent agreement. I would not, under the circumstances. If I could, I would not. It is a gentleman's agreement. I fully expect it to be honored by both sides.

COMMITTEE MEETINGS DURING SENATE SESSION TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Government Operations may sit tomorrow morning during the session of the Senate.

Mr. KEFAUVER. I have no objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HRUSKA. Mr. President, tomorrow the Judiciary Committee expects to hear from a number of witnesses who are scheduled to appear there in connection with the nominations of Mr. Crary and Mr. Curtis, to be district judges for the State of California, and also in connection with the nomination of Judge Thurgood Marshall.

Mr. MANSFIELD. Mr. President, permission for the committee to meet during the session of the Senate tomorrow morning has previously been granted.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. KEFAUVER. Mr. President, earlier today the Senate granted unanimous consent that the distinguished Senator from Oregon [Mr. MORSE] might file brief statements of explanation of various amendments. A number of Senators are running out of time. In order to save time and expedite the procedure, I ask unanimous consent or suggest that the majority leader ask unanimous consent that any Senator may file a brief statement in explanation of his amendment, the explanation to be printed at the place in the RECORD where the amendment is read.

Mr. MANSFIELD. That is perfectly agreeable. I hope the unanimous-consent agreement requested by the Senator from Tennessee will be granted.

The PRESIDING OFFICER. Is there objection?

Mr. KERR. Mr. President, reserving the right to object, let me say that I understand that the Senator from Tennessee is requesting the privilege of filing a statement explaining the amendments, and to have the statement printed in the RECORD without being read, although the amendments may or may not be read.

Mr. KEFAUVER. That is correct.

The PRESIDING OFFICER. Is there objection?

Mr. KUCHEL. Mr. President, reserving the right to object, do I correctly understand that the proposed agreement would apply only to amendments offered by the Senator from Tennessee?

Mr. KEFAUVER. It would apply to amendments offered by any Senator.

Mr. HICKENLOOPER. Mr. President, reserving the right to object, I should like to know whether the explanations will be offered in the time of the Senators who submit the amendments; or would the time required for that purpose be in addition to the time otherwise available?

The PRESIDING OFFICER. The Chair understands that the regular procedure would be followed.

Is there objection to the request of the Senator from Tennessee? Without objection, it is so ordered.

Mr. PASTORE. Mr. President, a parliamentary inquiry: What is the pending question?

The PRESIDING OFFICER. The pending question is on agreeing to the committee amendment, as amended.

Mr. MORSE. Mr. President, I call up my amendment identified as "8-13-62—NNNN," and ask that it be read. The statement I placed in the RECORD regarding amendment MMMM also applies to this amendment, the first portion of which is identical to MMMM. The second portion would extend the stock limitation to nonvoting and debt securities, which may far exceed the voting securities in financing the corporation.

The PRESIDING OFFICER. The amendment to the committee amendment, as amended, will be stated.

The LEGISLATIVE CLERK. On page 34, in line 12, it is proposed to insert the following before the period: ", and no such communications common carrier shall at any time own more than 12 per centum of such shares issued and outstanding".

On page 36, between lines 3 and 4, insert the following:

(g) The limitations applicable to voting stock in the above sections shall also be applicable to all other securities of the corporation.

Mr. MORSE. Mr. President, I submit the amendment.

Mr. PASTORE. Mr. President, I move that the amendment of the Senator from Oregon to the committee amendment, as amended, be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Oregon to the committee amendment, as amended. (Putting the question.)

The "ayes" appear to have it; and the "ayes" have it, and the motion to lay on the table is agreed to.

Mr. MANSFIELD. Mr. President, I move that the Senate stand in recess——

Mr. KEATING. Mr. President——

Mr. MANSFIELD. Mr. President, I withhold my motion.

Mr. KEATING. Mr. President, it had been my purpose today to explain my reasons for supporting the satellite bill, as a member of one of the committees from which it came. However, since it is the intention of the leadership to have the session tonight concluded, I shall withhold my statement until tomorrow.

Mr. MANSFIELD. Mr. President, will the Senator from New York yield?

Mr. KEATING. I yield.

Mr. MANSFIELD. Let me state that I did not know of this situation, and I apologize to the Senator from New York.

Mr. KEATING. Oh, no; the distinguished majority leader is always most considerate.

I shall frankly explain my purpose: I am very much opposed to the farm bill, which is about to come up. I deem it to be in the interest of the people of the State of New York, and also in the interest of other Senators who likewise are opposed to that measure, to use the balance of my time on the pending satellite bill tomorrow, rather than tonight, so as to defer action on the farm bill. I have already made public my reasons for supporting the satellite bill. I shall explain them more fully tomorrow.

The distinguished Senator from Montana is always most considerate and gracious; and certainly under no circumstances would I do anything to add to the burdens which are placed upon him. I merely state at this time that I still want the farm bill to be defeated, and shall do my utmost to persuade my colleagues to defeat it when it comes up.

ANTISEMITISM IN ARGENTINA

Mr. JAVITS. Mr. President, I yield myself 30 seconds.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, I submit, for printing in the RECORD, a letter from the State Department.

Mr. President, there is justified concern over the threat of anti-Semitism that has been growing in the Argentine over the past 2 years. This development is marked by a constantly increasing number of anti-Jewish incidents, culminating in the shocking kidnapping of, and assault upon, a young Jewish girl.

It is generally acknowledged that the Argentine Government entertains no anti-Semitic feelings; but its promises to "crack down hard" on extremist groups, in order to halt the anti-Semitic incidents, have not been followed by arrest of the culprits and restoration of order. In part, the uneasy political situation there is to blame; but what is not generally reported is the existence of an unhappy native Nazi movement, nurtured originally by German and other European Nazi emigrees.

I have expressed to the Department of State my concern over this developing situation. I ask unanimous consent to have printed at this point in the RECORD the reply I received on August 13 from Assistant Secretary of State Dutton.

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

DEPARTMENT OF STATE,
Washington, D.C., August 13, 1962.

Hon. JACOB K. JAVITS,
U.S. Senate.

DEAR SENATOR JAVITS: I want to thank you for your letter to the Secretary expressing concern about reports of anti-Semitism in Argentina and Uruguay.

The Department of State with the assistance of our Embassy at Buenos Aires has for a period of 2 years been following closely the manifestations of anti-Semitism in Argentina. Our information regarding these manifestations has been supplimented by periodic receipt of data from organizations in the United States directly concerned both with threats to human rights and the welfare of Jewish communities throughout the world.

On the basis of the information available to us, it seems that most if not all of the anti-Semitic activities are attributable to small, largely covert and somewhat amorphous groups which appear to be ultranationalist in nature and to have chosen anti-Semitism as one vehicle for the expression of their personal and social hostilities. The groups construe themselves as quasi-political but it cannot be said that general public opinion in Argentina dignifies them as such. We are advised by our Embassy that the Argentine populace seems genuinely horrified by the recent violent acts and deplores the activities of those responsible for them.

Officers of the Embassy were apprised some time ago of the importance of the evidence of anti-Semitism in Argentina and were instructed to make use of suitable opportunities to point out to responsible Argentines the unfavorable world reaction to be expected from pronounced anti-Semitic activities. Following the attacks in June, our Ambassador discussed the matter with Rabbi Israel Goldstein, of New York, a member of the World Jewish Congress.

You will appreciate that since no American citizens have been involved the Ambassador was not in a position to make formal representations to the Government of Argentina. However, he reports subsequent conversations with officials of the Government who recognized that the activities of the anti-Semitic groups do not accrue to the credit of the nation and expressed the intent of the Government to cope vigorously with the outbreaks.

On June 25, 1962, a statement was issued by the Presidency of the Argentine Republic expressing the "executive power's forceful repudiation" of the acts and pledged its decision to "suppress with the full force of the law incidents of this nature which do grave injury to the social structure of the nation." This sentiment is shared, we are informed, by the Minister of Interior who is responsible for police forces in the nation. It would thus appear that Argentine authorities are fully aware of the need to take firm measures in the present circumstances. Our officers in Buenos Aires will continue to press with members of the Argentine Government the concern of all decent men whenever minority groups are subject to unlawful acts.

Our Embassy at Montevideo has provided us with the following information respecting the incidents that have occurred in Uruguay:

"The Uruguayan Minister of the Interior informed the Uruguayan House of Representatives on July 31 that measures have been taken to prevent recurrence of incidents. These included establishment of street patrols by the police reinforced by Uruguayan Army troops, highway patrols, and 100 police normally assigned to the interior of the country, as well as police raids against the headquarters of organizations suspected of involvement in the incidents.

"The Uruguayan public and press have become very concerned at these unfortunate incidents, which are thought to be the work of a very few extremist members of a society. It would appear this concern is reflected in a vigorous effort on the part of their governmental authorities to halt this series of criminal acts."

If I may be of any further assistance to you, please do not hesitate to call on me.

Sincerely yours,

FREDERICK G. DUTTON.

TRIBUTE TO SENATOR BYRD OF VIRGINIA

Mr. THURMOND. Mr. President, I take pleasure in calling to the attention of the Senate the cover story in the

August 17, 1962, issue of Time, the weekly news magazine, on one of the most respected and popular Members ever to serve in the U.S. Senate, the distinguished senior Senator from Virginia [Mr. BYRD]. On the index page of the magazine there is a letter from the publisher, Mr. Bernhard M. Auer, which explains that a photograph of Senator BYRD has twice previously appeared on the cover of Time magazine, in conjunction with a special story on some aspect of his public service. The publisher makes the point that it has been 27 years since Senator BYRD's photograph last appeared on Time's cover, and in his comments seems to apologize for not having brought this great fiscal expert of the Senate and outstanding newsmaker to public attention with other cover stories in the intervening years.

The people of Virginia evidently appreciate the long and distinguished record of public service which Senator BYRD has rendered in their behalf during the past 37 years, dating back to his election as a State senator, and then Governor, and then his election and reelection so many times to the U.S. Senate. I am sure the members of this body recall, Mr. President, that Senator BYRD tried to retire in 1958; but the Virginia General Assembly passed a resolution urging that he offer for another term in the Senate, and similar expressions were made by many Members of this body and by the large number of his friends all across this country who have been attracted to him because of their respect and admiration for his integrity, his intelligence, his industry, and his dedication to constitutional government and sound economic policies.

I ask unanimous consent, Mr. President, to have printed in the RECORD at the conclusion of these remarks the cover story and the letter from the publisher of Time magazine.

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

A LETTER FROM THE PUBLISHER

Some people reach the cover of Time on the spur of a sudden event; others are chosen at the capstoning moment of a long career. Still others belong to a category of cover-worthy candidates whose familiar names are continually under consideration, but for one reason or another in the random play of the news, never make our cover.

Senator HARRY BYRD's case is an unusual one. It has been 27 years since he last appeared on Time's cover, and yet in the intervening years he has been continually in the news and rarely out of consideration as a cover possibility. It may well be that no other man has had such intervals between appearances.

In Time's earlier days, before the cover story became a thoroughly researched documentary, the man out front was often someone with a timely but transient surfacing in the news, and the story inside was only a column or two long. Those earlier stories read like period pieces now—but have a carefree and pleasing chattiness about them. The first BYRD cover, October 25, 1928, is mostly about a Governor's Ball in Richmond, and talks almost as much about Lady Astor's homecoming to Virginia as it does about the hero. ("Governor BYRD's widest claim to fame is his brotherhood with Richard Evelyn Byrd, famed flyer over far poles.") The May 13, 1935, BYRD cover story is devoted to the New Deal farm program, with some references to Senator BYRD's attack on it—and is illustrated by eight snapshots of Agriculture Secretary Henry A. Wallace and his aids, but no picture of BYRD.

Much of the reporting for this week's cover story was done by Loye Miller, Jr., 32, who came back huffing and puffing from a brisk, 75-minute early morning walk with the 75-year-old Senator BYRD. They got along fine: Miller comes from the South (his father is editor of the Knoxville News-Sentinel and he himself broke in on the Charlotte Observer). Reporter Miller, one of Time's two congressional correspondents, got well adjusted to the ways of Senators in the months he spent whistle-stopping across the United States with LYNDON JOHNSON, and tagging along with him to such outposts as India and Berlin.

GIVING THEM FITS

It is 7 a.m. in Washington, D.C. Through the deserted lobby of the Shoreham Hotel moves an elderly man with a brown cane. He sets out at a brisk pace into the morning mist that still mantles Rock Creek Park. His shoes are scuffed, his trousers baggy, his shirt frayed. He is alone, and he is happy.

Not many people know this side of the man. He is perhaps most content while walking through a park—or climbing to the top of Old Rag, his favorite mountain in the Blue Ridge chain. Up there he may be alone—as he often is—but in a political and philosophical sense, he will be master of all he surveys. "I love these mountains," says Virginia's Senator HARRY FLOOD BYRD. "I like to look out over the ridges and valleys and watch the changing shadows."

SYMBOL OF REBELLION

The shadows are changing for HARRY BYRD. He is 75. His Senate career spans the New Deal and the New Frontier. "I am," he says in wry pride, "the only man left in the Senate who voted against the Wagner Act and the TVA." Throughout his career, he has been fighting against burgeoning bureaucracy and bloating budgets. It galls him that during his three decades in the Senate the public debt has swelled from $23 billion to $298 billion, and the number of Federal employees has grown from 580,000 to 2,500,000. This is an issue about which BYRD, far from being resigned with the passing of the years, is still expertly indignant. Last week he jabbed a finger at a sheet of statistics on his cluttered desk and complained: "The civilian employment in Government went up 35,000 in just the last month." Jab, jab, jab went the finger. "Just think of that—35,000 in the last month."

It is an irony that, as he nears the end of his political life (BYRD says nothing about the subject, but friends give odds that he will not run for reelection in 1964), HARRY BYRD has arrived at a crest of effective power and influence. He has, in fact, become a symbol of the Capitol Hill rebellion against the young activist who lives at 1600 Pennsylvania Avenue.

Old HARRY BYRD is rather fond of young Jack Kennedy. "He's a very attractive person," says the Senator from Virginia. "He's got ability, no doubt about that." The President of the United States returns the compliment—in a way. "You know," he has said, "HARRY BYRD is the most gracious person you'd want to meet. But does he give us fits."

"Fits" is the word for what BYRD is giving the New Frontier. Items:

The President's medicare bill theoretically had to go through the Senate Finance Committee—and Chairman BYRD was characteristically against the measure. BYRD does not like to simply pigeonhole a bill, no matter how much he may dislike it. That would be politically crude. But first things come first, and BYRD scheduled lengthy hearings on tax revision before medicare. Desperate to get medicare through the Senate and thus pressure the House (where the measure faced a savage fight), the administration decreed that medicare be tacked onto a less important bill and be brought to a Senate vote without ever being considered by BYRD's committee. But in the gentleman's club that is the U.S. Senate, it is very risky for anyone to try an end run around such senior Members as BYRD. By a Senate vote of 52 to 48, medicare died a premature death and the administration suffered a sobering defeat.

In the controversial area of tax policy, BYRD is playing a key role. Before going to the Senate floor, the New Frontier's tax-revision program was butchered by BYRD's Finance Committee. Sliced away was the administration's scheme to require financial and business firms to withhold taxes due on interest and dividends. Says BYRD: "I'm firmly opposed to the idea of the Government using the businesses of the country as collection agencies for taxes."

As for a quick 1962 tax cut, BYRD is stubbornly negative. His opposition is one of the reasons why President Kennedy, except at the cost of gallons of political blood, could not hope to get such a tax slash through. BYRD's position: he would like a tax cut as much as anyone—but not if it means running the United States deeper and deeper into debt. His implacable stand won support in a recent Gallup poll which reported that 72 percent of the people opposed a tax cut if it meant increasing the national deficit.

The administration's foreign trade bill—the boldest and best program the New Frontier has yet put forth—is still up for consideration by BYRD's committee. Scores of protectionist witnesses have testified or are still waiting in line. On the basis of BYRD's record, the White House supposes that he favors the bill. But there is still a gnawing at administration innards about what BYRD may finally decide to do. It should come as considerable comfort to New Frontiersmen to know that BYRD privately says: "I'm going to support the President on the trade bill."

The CONGRESSIONAL RECORD for 1962 is proof enough of BYRD's present influence. But how and why, in the twilight of his political life, has BYRD come into his most effective political period?

The answer, of course, lies in the political climate of the day. President Kennedy has so far shown himself to be much more adept at activity than at achievement, to think in terms of politics rather than principles. Despite his personal popularity, the President has yet to win popular support for his programs. As no one else can, the veterans of the House and Senate sense this gap between promise and performance.

WANDERERS AND WONDERERS

Thus, there has clearly been a failure in leadership at the White House level. On the floors of the Senate and the House, the Democratic leadership has been equally ineffectual. Many Members of the lopsided Democratic majorities in the Senate and the House have therefore felt free to vote according to their own, local political interests.

In such an atmosphere, leadership must inevitably be taken over by the few legislators who really know what they stand for. BYRD knows what he stands for. So does everyone else. BYRD believes that a dollar should be worth a dollar. This is still a popular notion in the United States. And so, in one of the most crucial of all areas, BYRD has become a kind of unwavering banner around which the wanderers and the wonderers of Capitol Hill can rally.

ONE OF THE LAST

In many ways, BYRD seems a complex of contradictions. To his critics, he is the symbol of public stinginess; to his friends, he is the soul of private generosity. In Washington he walks alone; but at the en-

trance to his magnificent Rosemont estate in Berryville, Va., is a sign saying "Visitors Welcome"—and the Senator has been known to spend entire afternoons escorting unknown callers around the vast premises. In the Senate Club, BYRD stands in the center of the innermost circle, but he is far from being one of the boys. He dislikes and avoids cloakroom politics; but many of the cloakroom politicians are nowadays holding his coat.

Democrat BYRD has declined to actively support the Democratic nominees in the last six Presidential elections; yet he is the active leader and patron saint of the most enduring State Democratic organization in the United States. He was one of the several Democrats that Franklin Roosevelt would have liked to purge from the Congress. But BYRD considers himself a sort of charter member of the Roosevelt club. "I'm one of the last of the old New Dealers," he says, with only the tiniest twinkle of humor. "I campaigned for the New Deal platform in 1932—and I'm still standing on it." It takes a moment or so for a listener to recall that Roosevelt's 1932 campaign program promised Federal frugality—including a cut of 25 percent in the cost of Federal Government.

While these political positions may seem inconsistent, BYRD's complete consistency is the secret of his increasing political strength. Democrat HARRY BYRD is stronger if only because Democrat John F. Kennedy's administration, for all its brave words, seems weaker.

A BUNCH OF BILLS

The most famous family name in the United States today is Kennedy. But the Byrds can overwhelm the Kennedys with escutcheons. HARRY BYRD is an authentic—as opposed to a working—aristocrat. He is of the eighth generation of the Byrds of Virginia. William Byrd I, sailed up the James River in 1670 from his native England at the age of 18. He acquired 26,000 acres, grew wealthy as a tobacco planter, slave dealer, importer, and exporter. He also fused the Byrd blood with another famed line: that of Mary Horsemanden, a 21-year-old widow who traced her ancestry clear back to Charlemagne.

The Byrd lands grew to 179,000 acres under William Byrd II, who, like his father, served in the Virginia House of Burgesses. Bill II, built Westover, an elegant Georgian mansion with a fine library. He also founded the city of Richmond—but he remains best remembered for his spicy diaries. Sample entries: "I went to the Capitol where I sent for the wench to clean my room and I kissed her, for which God forgive me." "I had wicked inclinations to Mistress Sarah Taylor." "When I returned I had a great quarrel with my wife, in which she was to blame altogether; however, I made the first step to a reconciliation."

The next Byrd, William III, committed sins far graver, in the family's view, than the mere stealing of kisses. He blew the family fortune through gambling and wild spending, lost Westover, committed suicide on New Year's Day, 1777. As a French and Indian War colonel, however, he had fought so gallantly that his portrait hangs today in the restored colonial capitol in Williamsburg. Most tourists are happily unaware that in the Revolutionary War his sympathies were with George III.

By 1887, when HARRY FLOOD BYRD was born in Martinsburg, W. Va., the intervening Byrds had made money, mainly as talented lawyers, built some fine mansions in Winchester, Va. HARRY's father Richard, was perhaps the most brilliant of the lot, a spectacular courtroom figure with black hair that seemed electrified, steel-rimmed glasses and a flair for oratory. Richard was a colorful politician—he was elected speaker of the Virginia House after just one term. With offbeat humor, he named his three sons Tom, Dick, and Harry (they arrived in reverse order), was to take great pleasure in their later success: Tom in business, Dick as the world-famed polar explorer Adm. Richard E. Byrd, who died in 1957; Harry in politics. But old Dick was also a most convivial fellow, who loved a social sip and was so totally lacking in financial sense that he rapidly took his family toward bankruptcy.

SAVING THE STAR

That was where young HARRY came into his own. He had been bored by his lessons at Winchester's Shenandoah Valley Academy. His father had purchased a small daily newspaper, the Winchester Star, for use as a personal political vehicle. When the paper seemed about to go under, 15-year-old HARRY saw a chance to quit school. He persuaded his father to let him try to save the Star. Save it he did—by scrimping on expenses and contributing a remarkable amount of journalistic ingenuity. Today, the Winchester Star and the Harrisonburg News-Record are prosperous papers operated by the Senator's oldest son, Harry F. Byrd, Jr.

But running a paper was not enough for teenager BYRD. He bought a patch of land at the edge of the city, planted a few apple trees with his own hands. Then he began leasing orchards. "I had a kind of a big house on wheels from which we sprayed the trees," he recalls. "The people who did the spraying lived in it. I'd get the spraying done, and the picking and the selling, and then the owner of the orchard and I would divide the profits." HARRY BYRD has since become the world's largest individual apple orchard owner, with some 4,000 acres and 200,000 trees in rows up to 2 miles long. Harry Jr. is the general supervisor of the multimillion-dollar business; another son, Dick, runs the cannery; and another son, Beverley, is in charge of planting and picking.

ROAD TO RICHMOND

After marrying Anne Douglas Beverley, a lovely girl whose family name was every bit as important in Virginia as Byrd's, HARRY turned serious toward politics. At that time, he had about as many kinsmen as there were voters in Virginia; HARRY, at 28, easily won election to the State senate. His service there was lackluster—until in 1923 he found an issue that outraged his hard-earned sense of economic propriety and jolted him into angry action. He was chairman of the senate roads committee when a $50 million bond issue was proposed to improve the State's roads. There was no question about the condition of those Virginia roads. "There was even a bunch of farmers who'd stay by the road with their mules down there around Fredericksburg," BYRD recalls. "Everybody would get stuck and they'd charge $10 a car to pull 'em out. Ten dollars was plenty in those days. Used to make 'em mad as hell." But BYRD was also dead certain that bonds were not the way to fix things up. It had taken Virginia taxpayers some 30 years after the Civil War to pay off more than $45 million worth of bonded debt incurred before the war. The memory was painful. Says BYRD: "That's the big reason I have always been so opposed to bond issues."

BYRD slogged across those awful roads by horse and buggy and model T to stump the State for a pay-as-you-go gasoline tax instead of the bond plan. The bonds were rejected by 46,000 votes, and HARRY BYRD was a statewide hero who rode the road issue straight to the Governor's chair in Richmond.

As Governor, he was quite a Byrd. Besides streamlining the State constitution with 80 amendments, he pulled the State from a $1.3 million budget deficit into a $4.2 million surplus, drove through a tough anti-lynching law, lured new industry, supervised the State's takeover of every road, even farm-to-market, in Virginia. He also became the chieftain of the longest lasting Democratic State machine in America; it's members call it the Organization; political scholars have described it as a true oligarchy. In any event, it has dominated the statehouse since the turn of the century.

FADING GLOW

In March 1933, 3 years after he left the statehouse, BYRD was appointed to the Senate in place of Claude Swanson, who had been named Navy Secretary by F.D.R. BYRD had campaigned for Roosevelt, was all aglow at the moneysaving promises of the New Deal platform. The glow quickly faded. BYRD recalls the disenchantment: "The first bill I voted for was to preserve the Federal solvency, to cut Federal expenses 15 percent across the board. That was the way to do things, and I was all for Roosevelt on things like that. But then this fellow Keynes got hold of him." Soon BYRD was leading the Senate opposition to the AAA, TVA, NRA—and when Roosevelt tried to pack the Supreme Court, BYRD knew that his dissent was total.

Their feud became so fierce that Roosevelt tried to funnel patronage through BYRD enemies in Virginia. Says BYRD: "Not controlling patronage turned out to be a damn good thing for me, because the depression was still on and everybody was wanting a job. There weren't enough to hand out."

BYRD has been at odds with every subsequent President. He considered Harry Truman just another big spender. Irritated by BYRD's opposition, Truman made his famed offhand remark: There were, he told a White House visitor, "too many BYRDS in Congress." Predictably, BYRD liked Ike—but the pair came to a parting of the political ways when Eisenhower ran up that whopping $12.4 billion budget deficit in 1959. "I didn't like that thing about sending those troops down to Arkansas either," recalls BYRD. BYRD has inflamed the segregation issue in Virginia with his demand for massive resistance to school integration. He has denounced the NAACP and "the Warren Supreme Court," and pleaded in 1958: "Let the laws be enforced by the white people of this country."

Nothing attests to BYRD's influence on the voters of Virginia more convincingly than the fact that in the past three presidential elections HARRY has been too busy "picking apples" to speak out for the Democratic ticket—and the State has gone Republican each time. BYRD did not endorse Ike in 1952, but he did tell Virginians by radio that "I will not, and cannot, in good conscience endorse the national Democratic platform or the Stevenson-Sparkman ticket." In 1956 he said nothing at all. In 1960 he announced only that "I have found at times that silence is golden." Republican Nixon carried Democratic Virginia by more than 42,000 votes.

TART REPLIES

In the Senate, BYRD's power is seldom exhibited before the galleries. Ordinarily, he is a poor speaker. But when his dander is up, his oratory can be blistering. His reply to criticism from Florida's Claude Pepper in 1946 is a Senate legend: "When I became a Member of the Senate, a distinguished colleague said to me that it never paid to get into a contest with a skunk." When HUBERT HUMPHREY, as a freshman Senator, had the temerity to call BYRD's Joint Committee on the Reduction of Nonessential Federal Expenditures an example of "waste and extravagance," BYRD's floor reply covered five pages of acidic language in the CONGRESSIONAL RECORD. HUMPHREY has since told BYRD that this was "the worst mistake I ever made."

When aroused, BYRD is also apt to dash off a letter. U.S. Chamber of Commerce President H. Ladd Plumley received one recently

when the chamber endorsed a tax cut—something which, to BYRD, smacked of conservative heresy. The chamber's statement, wrote BYRD, was "fiscally irresponsible in the highest degree." BYRD dismisses the notion of getting more revenue by a pump-priming tax cut as "a damned absurdity." The only big outlays of which BYRD approves are those for defense, conservation and highways—as long as the last is pay-as-you-go.

BYRD is as conservative personally as he is politically. For years he would buy a Chevrolet and drive it until it was falling apart; he switched to his present habit of getting a new Chevrolet each year only when persuaded that it would save him money (he has a dealer who gives him a new car for $600 and his old one). His wife has been an invalid for several years; but Harry and "Sittie" Byrd were never much for Washington's social merry-go-round. His only social extravagances are a picnic in his orchards each August, which attracts some 3,000 Virginians, and a series of 3 spring parties at Rosemont for Washington's elite and some of his Virginia cronies. Although he neither smokes nor drinks, he serves a man-sized drink, follows it with a billowing buffet of fried chicken, Smithfield ham and strawberry shortcake.

RANGER 777

BYRD's only fiscal soft spot is in his love for national parks. He has visited nearly every one in the United States. The National Park Service, he says, is one agency that "returns $1.20 value for every $1 spent." The Service in turn clearly appreciates BYRD: he is the Service's only honorary ranger, proudly wears his silver badge No. 777 at park ceremonies. He has been climbing in the Blue Ridge—such peaks as Hawks Bill, Naked Top, Roundhead Ridge and his favored Old Rag—for 60 years. He spent his honeymoon in those mountains, got Roosevelt to start the 500-mile-long Blue Ridge Parkway, is mainly responsible for Shenandoah National Park. On each of his past two birthdays he has donated a camping shelter near Skyland; they have been dubbed "BYRD's Nest No. 1" and "BYRD's Nest No. 2." BYRD gallantly danced at the dedication of BYRD's Nest No. 2 this year.

When his Senate duties keep him away from the Blue Ridge, BYRD takes that early morning walk through Rock Creek Park—and his musings are a seminar in political history and practice, well salted with great issues and names of the past. "I've lived here ever since I came to Washington," he says as he sets out from the Shoreham. "It's nearly 30 years ago now. You know, the Shoreham was in bankruptcy when I first came here. I told 'em I didn't have any money, but they said I might as well stay until I could pay, because nobody else had any either."

He swings his cane nonchalantly at a bush, looks back to see if his aging cocker spaniel is still with him. "You know," he says, "they were telling me not too long ago that I couldn't walk any more. One winter they had some ice on those steps back there and it was covered with snow and I didn't see it, so I fell and hurt my knee and it gave me arthritis." He flexes his left knee. "They wanted to take my kneecap off, said it wouldn't cripple me and it would stop the arthritis. But I didn't like that idea much, so I did just the opposite. I went out and climbed Old Rag the next weekend. It hurt *like hell*, but I got up there. Now I've got it built up so I can get around all right. It's built up muscles all around that knee. Look here." He hauls up his left pant leg. "Look at the difference from the other one." He tugs up that pant leg.

ON HIS BELLY

He comes to a high wire fence sealing off the Dumbarton Oaks estate, a public haven filled with dogwood, rhododendron, and massive trees. Since it is not open so early in the morning, BYRD for years used to crawl on his belly through a hole in the fence. Then the hole was patched. BYRD hesitantly asked if he might have his own key to the gate—something the Park Service would have granted long ago at the slightest hint. "I got 'em to put in the Shenandoah Park when I was Governor. It was the depression then, but I got a million dollars out of Congress, and we raised another million. Ickes wouldn't let the mountain people stay in there. He made them all move out. I begged him not to do that. I said just let the old ones stay there and live out their lives. But this Tugwell fellow had just come back from Russia, and he and Ickes got the idea of moving them all in together.

"You know mountain people won't live close to anybody else. But they made 'em get out and burned their houses down and built two settlements for them outside the park—that cost nearly as much as the whole park did. And it didn't last very long either. They were making them all work and put everything they raised in together. One night after they'd been there about a year, one man got in and robbed the smokehouse where all the meat was, and the others got mad and they killed him. That was the end of that Russian business."

BYRD heads back down a bridle path, the Shoreham's sandy-colored brick looming above the trees. "When I was Governor they asked me if Winston Churchill could come down and visit. He wanted to see the battlefields. The only trouble was that when he got there, they told me he drank a quart of brandy a day. It was strict prohibition, and I never had allowed any in the mansion. I called up a fellow who I thought might be able to get it and said, 'John, I'm in a hell of a fix. I need you to deliver a quart of brandy to the kitchen of the Governor's mansion every day this week.'

"Churchill had some fellow with him named Lord so-and-so, and the Lord had a girl in San Francisco and was always calling her up the whole time they were there. After they left, I got a bill for those calls for $250."

HARRY BYRD walks back into the Shoreham to change his clothes and cook his own breakfast. He is ready to do a day's work on the Hill in defense of his idea that a dollar is a dollar and that economics is really a simple, commonsense subject. To a man with reminiscences like his, it does not seem illogical that he should think that he may yet teach quite a few lessons to that attractive young fellow in the White House.

THE JOURNAL

Mr. MANSFIELD. Mr. President, earlier today I had intended to ask unanimous consent that the reading of the Journal of Tuesday, August 14, and the Journal of Wednesday, August 15, be dispensed with. I now make that request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

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, without amendment, the bill (S. 3428) relating to the appointment of judges to the municipal court for the District of Columbia, the municipal court of appeals for the District of Columbia, and the juvenile court of the District of Columbia.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 3491) to amend the Atomic Energy Act of 1954, as amended, and for other purposes, and it was signed by the Vice President.

PETITION

The VICE PRESIDENT laid before the Senate a letter in the nature of a petition from the Oliver American Trading Co., Inc., of New York, N.Y., signed by Howard T. Oliver, president, relating to an investigation of the claims convention with Mexico, which was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without amendment:

H.R. 11721. An act to authorize the payment of the balance of awards for war damage compensation made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of April 30, 1946, and to authorize the appropriation of $73 million for that purpose (Rept. No. 1882); and

S. Con. Res. 84. Concurrent resolution expressing the sense of the Congress that arrangements be made for viewing within the United States of certain films prepared by the U.S. Information Agency (Rept. No. 1883).

REVENUE ACT OF 1962—REPORT OF A COMMITTEE—ADDITIONAL, DISSENTING, SUPPLEMENTAL, AND MINORITY VIEWS (S. REPT. NO. 1881)

Mr. KERR. Mr. President, from the Committee on Finance, I report favorably, with amendments, the bill (H.R. 10650) to amend the Internal Revenue Code of 1954 to provide a credit for investment in certain depreciable property, to eliminate certain defects and inequities, and for other purposes, and I submit a report thereon.

I ask that the report be printed, together with the individual views of Senators BYRD of Virginia, GORE, WILLIAMS of Delaware, and CURTIS; the additional views of Senator MCCARTHY; the dissenting views of Senators CARLSON, BENNETT, BUTLER, CURTIS, and MORTON, and the supplemental and minority views of Senators DOUGLAS and GORE.

The PRESIDING OFFICER. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Oklahoma.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

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

William R. Tyler, of the District of Columbia, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State;

Charles E. Bohlen, of the District of Columbia, a Foreign Service officer of the class of career ambassador, to be Ambassador Extraordinary and Plenipotentiary to France;

Foy D. Kohler, of Ohio, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to the Union of Soviet Socialist Republics;

John H. Ferguson, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary to the Kingdom of Morocco;

William Leonhart, of West Virginia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to Tanganyika; and

Bernard T. Brennan, of New York, to be Deputy Administrator for Administration, Agency for International Development.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. CLARK:

S. 3645. A bill for the relief of Jean Rosen; to the Committee on the Judiciary.

By Mr. MAGNUSON (for himself, Mr. KEFAUVER, and Mr. LAUSCHE):

S. 3646. A bill to amend the Communications Act of 1934, as amended, relative to merger of domestic telegraph carriers; to the Committee on Commerce.

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

By Mr. CURTIS (for himself, Mr. CARLSON, and Mr. RANDOLPH):

S. 3647. A bill to amend sections 4653 and 4654 of title 39, United States Code, with respect to the mailing of certain reading and other materials for the use of blind persons; to the Committee on Post Office and Civil Service.

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

By Mrs. SMITH of Maine:

S. 3648. A bill authorizing the project for Narraguagus River, Maine; to the Committee on Public Works.

By Mr. DIRKSEN:

S.J. Res. 217. Joint resolution making the 17th day of September in each year a legal holiday to be known as "Constitution Day"; to the Committee on the Judiciary.

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

By Mr. RANDOLPH:

S.J. Res. 218. Joint resolution authorizing the President of the United States to issue a proclamation declaring Sir Winston Churchill to be an honorary citizen of the United States of America; to the Committee on the Judiciary.

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

SENATOR RANDOLPH INTRODUCES A RESOLUTION THAT THE UNITED STATES CONVEY ON SIR WINSTON CHURCHILL HONORARY CITIZENSHIP

Mr. RANDOLPH. Mr. President, Winston Churchill represents perhaps better than any man alive, the strong ties of love, honor, and sacrifice which so closely join the United States of America and Great Britain. As a warrior of his country, as a statesman of vision and purpose, and as a gifted leader in letters and literature and law, he will be acclaimed by generations yet unborn for a true hero of his time.

His is a genius of spirit, of character, of conviction,—that urged a battered nation onward to victory over a merciless foe—that lighted a pathway through the gloom of postwar adversity, and spurred a flagging people to superhuman effort and sacrifice—that marshaled hopes and shored up faith, rekindled hope and engendered confidence.

His, the dream of unity among the democratic nations of the Atlantic; his, the idea of a fraternal association between Britain and the United States. I shall never forget that memorable day when, as a Member of the House of Representatives, I listened to his dynamic address in a joint session of the Congress.

And, Winston Churchill's courage and devotion to the cause of freedom and human dignity have served to challenge and inspire our Nation to victory in war, and to achievement in peace. Our debt to him can never be repaid. It exceeds infinity, and increases daily.

However, there is one honor, one token of rare esteem and love which is within this Nation's power to bestow, and which is worthy of Winston Churchill's place of history. The recognition of which I speak is the gift of honorary citizenship of the United States of America. Surely there is no more fitting demonstration of the respect and gratitude which we hold for this champion of mankind than the gift of citizenship—the most highly prized possession of every patriotic American. His mother was Jenny Jerome, a citizen of our Republic.

No more tangible evidence could we offer than that this Nation, through action of the Congress, authorize the President of the United States to issue a proclamation declaring Sir Winston Churchill to be an honorary citizen of our public.

To this purpose I introduce a joint resolution, which I send to the desk and request that it be appropriately referred, for what I hope will be positive action.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 218) authorizing the President of the United States to issue a proclamation declaring Sir Winston Churchill to be an honorary citizen of the United States of America, introduced by Mr. RANDOLPH, was received, read twice by its title, and referred to the Committee on the Judiciary.

FOOD AND AGRICULTURE ACT OF 1962—AMENDMENT

Mr. McCARTHY. Mr. President, I submit an amendment to H.R. 12391, the farm bill, as reported by the Senate Committee on Agriculture, which I intend to offer at the appropriate time on behalf of myself and the senior Senator from Minnesota [Mr. HUMPHREY], and I ask that it be printed.

The purpose of this amendment is to add a dairy program to the new version of the Senate farm bill. Last spring the administration recommended that a dairy program be enacted. Testimony was given on the rapidly rising dairy surpluses and on the increasing costs of the present dairy program to the Government. Despite these recommendations the Senate committee could not reach agreement on a dairy provision. Attempts by myself and other Senators to add a dairy provision on the floor also failed to carry.

The House of Representatives, however, has provided for a minimum voluntary reduction program in its farm bill. The amendment which I propose to offer strengthens the House provision and offers an opportunity to adopt an effective voluntary program which will improve the income of dairy farmers and at the same time cut down on surpluses and Government costs.

The dairy problem is fast approaching emergency proportions, and I believe there are solid reasons why the Senate should now adopt a temporary program even though it rejected action last spring.

There were some who believed that the drop in price supports from 82 to 75 percent of parity on April 1 would result in a substantial cut in production. This has not been the case, although production is temporarily down in some areas because of a drought condition.

The Department of Agriculture estimates that Government expenditures for dairy purchases will be about $550 million for the current marketing year, approximately the same as for last year. The Commodity Credit Corporation is purchasing dairy products for price-support purposes at the equivalent of an annual rate of 10.5 billion pounds of the annual marketing of 119.3 billion pounds of milk. It is expected that the CCC will have to acquire 400 million pounds of butter, 250 million pounds of cheese, and 1.2 billion pounds of dry milk this year.

I have talked with many dairy farmers and representatives of major producer groups in the past few weeks. Dairy farmers are worried about the mounting surpluses and the drop in income of dairy farmers. I have been told by many dairy leaders that while they believe the majority of dairy farmers would still vote to reject a program with mandatory quotas, they would welcome an effective voluntary program.

The dairy industry is disturbed, likewise, about the possible effects of the Supreme Court decision of June 4, Lehigh Valley Cooperative Farmers, Inc., against United States, which has left the future effectiveness of Federal marketing orders in doubt.

We have a situation, then, in which dairy farmers are losing between $250 and $300 million in income because of the drop in price supports. The Government is acquiring the equivalent of about 10 percent of the milk marketed. Government costs are continuing at about the same rate and Government-held surpluses are rising rapidly.

In my judgment it is clear that the present program is not accomplishing its purpose and that a change is needed.

The House bill has the merit of recognizing the problem and of making an attempt to meet it, but the House measure lacks the potential to reduce the surplus to a significant degree or to improve the income of dairy farmers.

The House dairy provision provides for surplus reduction payments to producers of up to $2.50 per hundredweight for the amount they reduce their 1961 average marketing of milk, within a range of 10 to 25 percent. Provision is also made in the bill to permit producers in Federal order markets to make adjustments in their marketings at the surplus price rather than at the blend price. They will not be penalized in their share of the class I sales because they participate in the program.

The amendment which I intended to propose incorporates the House provision in general. The important addition in my amendment is the provision to permit the Secretary of Agriculture to make supplemental payments to cooperating producers in addition to the surplus reduction payments.

The amount of the supplemental payment would be set by the Secretary at a rate not to exceed the difference between the U.S. average price at wholesale for milk for manufacturing purposes and 90 percent of parity for that quantity of milk the participating producer markets.

The amendment also permits the Secretary to set the general basic price support for milk at between 70 and 75 percent of parity, dependent upon supplies, but this authority would not be effective until the end of the current marketing year, March 31, 1963.

The use of this authority, of course, is confined to the period when the Secretary has the emergency program in operation. It does not replace the provisions of the basic act of 1949 but only provides a temporary exception, to be used at his discretion in order to achieve the purposes of the emergency program.

In effect the proposed dairy program is simply an application of the procedures of the temporary feed grain program to milk. The surplus reduction payments for milk are the equivalent to the payments on acreage diverted from feed grain production. The supplemental payments on the milk marketed by those choosing to enter the reduction program are equivalent to the difference between the support price offered feed grain producers and the market level at which those who do not enter the program sell their feed grains.

Of course in the dairy program it is not possible to maintain different prices in precisely the same manner as in the feed grain program. The loans and purchases used in the feed grain program for supplemental benefits to cooperators cannot be extended in the same way to individual producers on their milk. The effect of the supplemental payments for milk, however, is the same: the supplemental payments would reflect the difference between the market price and special support level, up to 90 percent of parity, as set by the Secretary for those participating.

The proposal is for a temporary program to meet the emergency situation. It would be effective for a year and a half, from October 1 of this year to March 31, 1964. The House provision of surplus reduction payments is limited to 9 months.

The program provided by my amendment gives the Secretary the flexibility to develop an effective reduction program and to improve the net income of those who participate. Because the cost of the program depends upon the level at which the Secretary sets the surplus reduction payments and also the amount of the supplemental payments—and in turn these amounts are related to available supplies—it is not possible to give an exact cost estimate. It can be stated that the program should cost less than the existing program and at the same time accomplish a substantial reduction in surpluses and surplus storage costs. The savings over the existing program would be achieved because it is cheaper to make a surplus reduction payment of $2.50 or less to the producer for not producing a hundred pounds of milk than for the CCC to pay over $4 for the milk after it is produced and processed. The economy of this procedure is estimated to be great enough to permit making the supplemental payments to cooperating producers and still realize a savings in total costs over the existing program.

The program will also improve the income of those who participate. They would receive reduction payments up to $2.50 per hundred for the amount they cut back and supplemental payments on what they market. Taken together, these payments would provide the average dairy producer with a larger net income than he would receive from his present higher production under the existing price support program. It is also clear that the whole dairy industry will be more stable and in a better economic condition if the excessive surpluses are reduced.

We are spending large amounts under the existing program; yet the Government-held supplies are increasing and the income of dairy farmers is declining. This is not the time for drifting and inaction, a policy which can only lead to a crisis in the whole industry with the result that the family-type dairy farmer is certain to be hurt.

The program which I am proposing and which Senator HUMPHREY has joined me in sponsoring is an emergency measure. It is a voluntary program. It imposes no mandatory quotas or controls. Producers who do not wish to enter the program would be free to produce as they choose at the market price. Because the Secretary would be permitted to adjust the basic price support level between 70 and 75 percent of parity, there would be no incentive for those not entering the program to expand their operations. To the extent that the Secretary used his authority to adjust the general price support between 70 and 75 percent of parity, consumer prices for dairy products would be reduced somewhat and consumption stimulated. But the purpose of the program is to establish stability in the industry and to improve farm income. I believe that once the program is in effect the market price would tend to rise above the basic price support level and that the entire dairy industry would benefit.

Mr. President, we are faced with a situation which calls for effective action. The House has approved a dairy program but it is insufficient to reduce the surplus which is now requiring the Government to purchase the equivalent of about 10 percent of the milk marketed. The Senate should act, I believe, to strengthen the House provision and to provide a temporary program to improve the income of the dairy farmer and to reduce Government costs.

I believe we could expect good participation in this type of voluntary program, just as the response to the emergency feed grain program was good and the program effective. Dairy farmers are aware of the problem and greatly concerned about it. They would respond to an opportunity to work out their difficulties, but the present program provides no procedure by which they can make adjustments in an equitable and reasonable manner.

I ask unanimous consent that the amendment I intend to propose in behalf of myself and my colleague, the senior Senator from Minnesota [Mr. HUMPHREY], be printed at this point in the RECORD.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 91, between lines 7 and 8, insert the following:

"SUBTITLE C—DAIRY

"SEC. 326. The current rate of production and marketing of milk in the continental United States, excluding Alaska, is such as will result in excessive and burdensome supplies of milk and other dairy products during the period ending March 31, 1964.

"In order to afford producers the opportunity and the means by which they can on a compensated basis voluntarily adjust their marketings of milk during the period ending March 31, 1964, more nearly to equal demand and thus reduce Government purchases under its price support program, the Secretary of Agriculture is hereby authorized, through the Commodity Credit Corporation, to carry out for the period ending March 31, 1964, an emergency dairy surplus reduction payments program as set forth in the following sections of this subtitle.

"SEC. 327. The Commodity Credit Corporation is hereby authorized to make surplus reduction payments to producers in continental United States, excluding Alaska, who agree to reduce, during any one or more quarterly marketing periods starting on or after October 1, 1962, and ending March 31, 1964, their marketings to a level not (1)

less than 10 per centum or (ii) more than the larger of 25 per centum or fifteen thousand pounds of milk below their normal marketing levels established pursuant to section 328 of this Act for each such quarterly marketing period. Such payments shall not exceed (i) $2.50 per hundredweight of milk, basis 3.82 per centum butterfat content, (ii) such rates as the Secretary determines will effectuate voluntary reduction in marketings by producers, or (iii) the cost of acquiring such milk in the form of dairy products had such milk been marketed. A producer who fails to reduce his marketings to the extent required by his agreement shall be eligible to the surplus reduction payment on the quantity by which he actually reduced his marketings below his normal marketing level, provided he reduces by as much as 10 per centum of his normal marketing level, but the amount of such payment shall be reduced by an amount equal to 20 per centum of what would have been the payment on the quantity of milk which he failed to reduce. Agreements entered into hereunder may contain such terms and conditions as the Secretary determines necessary to effectuate the purposes of the emergency dairy surplus reduction payments program and to assure that a producer's reduction in marketings is not offset through a transfer of his milk cows to another producer for the production and marketing of milk.

"SEC. 328. The Secretary shall establish a normal marketing level for each producer in the continental United States, excluding Alaska, who desires to enter into an agreement with Commodity Credit Corporation pursuant to section 327 of this Act. Such normal marketing level shall be the number of pounds of milk, or the number of pounds of milkfat, or such units of dairy products as the Secretary may deem appropriate for the administration of this subtitle which is the lower of (i) the producer's marketing during the marketing year ending March 31, 1962, or (ii) the Secretary's estimate of what would be marketed in a marketing year by the producer based on the rate of his marketings when he enters into the agreement with Commodity Credit Corporation, adjusted for seasonal variation. In establishing a normal marketing level, the Secretary shall make such adjustments in the producer's 1961–62 marketings as he deems necessary for flood, drought, disease of herd, personal health, or other abnormal conditions affecting production or marketing, including the fact that the producer may have commenced production and marketing after April 1, 1961. A producer's normal marketing level for the marketing year shall be apportioned by the Secretary among quarterly marketing periods thereof in accordance with the producer's prior marketing pattern, subject to such adjustments as the Secretary determines necessary to enable the producer to carry out his herd management plans for the marketing year. The quantity thus apportioned to a quarterly marketing period shall be the producer's normal marketing level for such period.

"SEC. 329. The Secretary shall prescribe such conversion factors as he deems necessary for use in determining the quantity of milk marketed by producers who market their milk in the form of farm-separated cream, butterfat, and other dairy products.

"SEC. 330. The quantity of milk reduced by a producer pursuant to his agreement under this Act shall be considered as having been produced and marketed by him for the purpose of determining his production or marketing history under any farm program in which such history may become a factor. A producer who moves from one area to another and there engages in the production and marketing of milk may take with him all or any portion of his normal marketing level.

"SEC. 331. The Commodity Credit Corporation may make supplemental payments to producers of milk for manufacturing who enter into agreements under section 327, which shall be in addition to the surplus reduction payments made to such producers. The amount of such a supplemental payment to be made with respect to the quantity of milk marketed by a producer may not exceed the difference between the United States average price at wholesale of milk for manufacturing and 90 per centum of the parity price for that quantity of such milk.

"SEC. 332. (a) The Secretary shall prescribe such regulations as are necessary for the enforcement and the effective administration of this subtitle.

"(b) Costs incurred in the carrying out of the provisions of this subtitle shall be borne by the Commodity Credit Corporation and shall be considered as nonadministrative expenses of the Corporation.

"SEC. 333. Whenever normal marketing levels are established under this subtitle, notwithstanding any provision of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.), any order issued under section 8c thereof shall in addition to the provisions in section 8c (5) and (7) contain provisions for an adjustment in the uniform price for producers receiving surplus reduction payments for marketings below their normal marketing level. Under such provisions the total payments to such producers under an order shall be equal to (1) the uniform price multiplied by their normal marketing level minus (2) the lowest class price under the order multiplied by the amount by which such producers have reduced marketings below their normal marketing level. In the computation of the uniform price there shall be included, at the lowest class price, the volume of milk upon which producers will be entitled to surplus reduction payments. For the purposes of this section a producer's normal marketing level shall be apportioned on a monthly basis. In the case of a producer, part of whose normal marketing level is based on marketings which were not subject to regulation under the order during the representative period, the Secretary shall apportion such producer's normal marketing level in accordance with his deliveries of milk in such representative period and the reduction in deliveries from the amount apportioned to the marketing area shall be considered in the calculation of the uniform price and payment under such order. The incorporation of provisions in an order hereunder shall be subject to the same procedural requirements of the Act as other provisions under section 8c.

"SEC. 334. No person engaged in the purchase or handling of milk, milk fat, or dairy products shall discriminate against any producer who enters into an agreement with the Commodity Credit Corporation pursuant to this Act. The Commodity Credit Corporation shall not purchase dairy products from any person whom the Secretary determines practices such discrimination. The several district courts of the United States shall have original jurisdiction to hear and determine controversies arising under this section, without regard to the amount in controversy, and to enjoin and restrain any person or persons from discriminating or conspiring to discriminate against any producer in violation of this section.

"SEC. 335. (a) Notwithstanding section 201 (c) of the Agricultural Act of 1949, as amended, the Secretary may, in carrying out the emergency dairy program authorized in this subtitle, establish price supports for milk and butterfat at such level between 70 and 75 per centum of the parity price therefor as he deems appropriate.

"(b) The authority granted by the provisions of subsection (a) of this section shall become effective on April 1, 1963."

NOTICE OF RECEIPT OF NOMINATION BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that today the Senate received the nomination of Francis H. Russell, of Maine, a Foreign Service officer of the class of career minister, to be Ambassador to the Republic of Tunisia.

In accordance with the committee rule, this pending nomination may not be considered prior to the expiration of 6 days of its receipt in the Senate.

PRIORITY IN DISTRIBUTION OF ELECTRIC POWER IN THE NORTHWEST

Mr. MUNDT. Mr. President, last Thursday prior to the Senate's final action on S. 3153, the bill granting the Pacific Northwest a first call on power generated at Federal plants in that region, I expressed disappointment with the fact that debate on this far-reaching bill was not heard by many Members of the Senate. I further stated that it was my belief that a goodly number of my colleagues did not fully understand the future effects flowing from adoption of this measure, and I expressed the hope that the House would give careful and deliberate consideration to the record of the debate in the Senate.

Since our final action, I have re-read the Senate debate, and I find that it is ambiguous and perhaps incomplete on one major issue raised in our discussion. I refer to the issue of the Bonneville Power Administration's present capacity to market secondary energy. For the benefit of the Members in the other body, I feel that some supplementary remarks on this issue are in order.

During the Senate debate the statement repeatedly was made by the proponents—CONGRESSIONAL RECORD, pages 15700, 15701, 15707, and 15939—that the Bonneville Power Administration needs S. 3153, the regional priority bill, in order to prevent the waste of $30 million a year in potential secondary energy which now is spilled over the dams bypassing the power generators.

The allegation has some substance but its connotations, as implied by the Senator's argument, are extremely misleading.

In the first place, the $30 million figure is of questionable validity. That amount, according to the Interior Task Force report is $15 million at the highest. That is the largest flow of water in the wettest year—CONGRESSIONAL RECORD, page 15909. In average years it would be a lower amount and in dry years it, of course, would be well below the figure used by the proponents of S. 3153.

It should be noted also that such secondary power is available only at certain times of the year, at certain times of the night, and on weekends and holidays. Whether a market exists anywhere for all of this offpeak power is questionable. Thus the assigned value, which assumes marketability, is certainly subject to challenge.

Second, the allegation is not accurate that this legislation is necessary in order that Bonneville can sell its surplus energy outside the Northwest without giving preference to public agencies outside the Northwest.

Bonneville does not need this legislation to sell such energy. It never has needed it. Bonneville has been selling such energy outside the Northwest for years. It even has a contract to sell U.S. energy to a utility in Canada. For many years a utility operating in Wyoming and another utility in Montana have purchased power from Bonneville under contracts, and the utilities in turn have supplied power to REA cooperatives in Wyoming and eastern Montana, respectively, both outside the defined Northwest region—Senate Interior Committee hearings, May 5, 1960, page 15. This is the fact, and it is at variance with contentions in the Senate debate that "presently there are no such contracts"—CONGRESSIONAL RECORD, page 15911. It has never been claimed that these separate transactions have given the cooperatives any preference right to Bonneville power.

Moreover, the Department of the Interior has expressed the opinion that preference does not attach to Federal power sold to such private utilities which in turn resell it to their customers, both public and private—CONGRESSIONAL RECORD, page 15937.

In fact, Bonneville could have been selling surplus energy in California under just such arrangements as it has with these utilities in other outside areas. In 1959 Bonneville requested the Pacific Gas & Electric Co. to consider purchasing surplus energy from the Northwest—House Appropriations Subcommittee hearings, May 8, 1962, page 146. Early in 1959 the Bonneville Power Administration went to P.G. & E. in an effort to sell surplus power. P.G. & E. agreed to buy on a "when, as, and if available basis," and the two parties negotiated a contract—Senate Interior Subcommittee hearings, April 9, 1959, pages 154, 156. Under the Bonneville proposal to P.G. & E. nearly 1 billion kilowatt-hours a year, on the average, would have been transmitted over existing interconnections between California and Oregon utility companies and a new 230-kilovolt interconnection the companies would have built. Had the contract been executed, Bonneville net revenues would have been increased by $6 million during the intervening 3-year period to June 30, 1962—House Appropriations Subcommittee hearings, May 8, 1962, page 146.

A draft of contract was agreed upon, satisfactory to the United States, and also satisfactory to Bonneville, protecting existing and future customers in the Northwest. In other words, no strings were attached. Bonneville could draw back the power at any time in any amount the Northwest desired—hearings, April 9, 1959, pages 161, 174. There was no protection problem whatever. In fact, Bonneville could cancel the contract at any time—on 30 days' notice.

In spite of this, when the draft of contract was submitted in April of 1959, to the Senate Committee on Interior and Insular Affairs, final action was suspended on the request of the committee, until legislation could be introduced to do the same thing. That is the purpose, allegedly, for S. 3153. The fact is that such protection for the Northwest consumers is the very thing Bonneville now assures the Northwest in selling the same kind of power to the same kind of private utility companies serving the same kind of diversified customers, including public agencies, in other areas, outside the Pacific Northwest as delineated in S. 3153. And, no mistake can be made about it, preference does not attach to that power.

Thus there was no need for this legislation at all. There never was. There never would be—except if a Federal transmission line were built. A regional solicitor in the Portland, Oreg., office of the U.S. Bureau of Reclamation in 1959, held that preference would attach to the power over a Federal line—Senate Interior Subcommittee hearings, May 5, 1960, pages 27–29. In that opinion the regional solicitor made no ruling with respect to a private line. Thus with a Federal line, the Northwest's nonpreference, private customers would have to take a back seat to public agencies up and down the length of the line—a distance of 2,000 miles—or however far advanced technology may make it economic.

The proponents of S. 3153 confused the issue in the Senate debate—CONGRESSIONAL RECORD, page 15938—by implying that the ruling applied to private lines. The fact is, and the record shows, that the Department of the Interior in Washington, D.C., specifically held that "the proposed sale of secondary energy by Bonneville Power Administration to Pacific Gas & Electric Co. for delivery, whether at Yamsay, Oreg., or at the Oregon-California border, will not establish any preference rights in California to power sold under such contract over any customers of the Bonneville Power Administration in the Pacific Northwest"—CONGRESSIONAL RECORD, page 15938, quoting hearings, May 5, 1960, page 29.

Therefore, once again, it is clear that S. 3153 is not needed. It is not needed in order for Bonneville to sell its surplus energy. It is not needed to obviate draining off of power legitimately needed in the Northwest. It is not needed for Bonneville to keep from wasting water over its dams. It is not needed any more today than it ever was or ever would be. The arguments of its proponents appear to indicate the real purpose of the bill is to clear the way so that a Federal transmission line can be built and let the Northwest eat its cake and have it, too.

All the problems this legislation creates for other regions, for other States, for the fundamental principle of customer preference, for equitable treatment of all the people with Federal power paid for by all the people, could have been avoided with the death of S. 3153.

As it is, other regions and other States have every right to introduce similar bills in the quest of equity. Indeed, the majority leader has introduced legislation to provide that his State of Montana will get similar protection by his proposed bill, S. 3558 which would provide Montana with a first priority to Federal power generated in that State.

All of this competition between the various power-production regions in the United States can be avoided if the House will kill S. 3153. I earnestly hope this will be the result. The Federal Power Commission is undertaking a comprehensive study of our national power needs and the optimum methods for integrating and distributing electrical power derived from all sources. I feel Congress should await the results of this study and the FPC's report before enacting such a regional preference law as S. 3153 and thereby jeopardizing preference customers throughout the Nation by walling them away from access to power generated in preference regions.

IMPROVEMENT OF U.S. EDUCATIONAL SYSTEM

Mr. WILEY. Mr. President, for the future, the Nation—to obtain the great reservoir of professional and well-trained individuals essential for progress and security—will depend to a large degree, upon our educational system.

For this reason, we need to continue to improve and expand educational opportunities for the youth of America.

In addition, it requires a renewed effort to prevent dropouts from schools—adversely affecting not only the interest of the individual, but of the Nation.

Earlier this session, I introduced legislation, Senate Resolution 348, for a study of the dropout problem—the objective is to obtain information for a solution. Unfortunately, no action has been taken on it as yet. Although it is getting near the end of the session, the inquiry into this national problem would, I believe, still be well justified, and I urge that it be done.

Today, I was pleased to receive from Charles Wedemeyer, director of the extension division of the University of Wisconsin, a letter endorsing the idea of the dropout study. Director Wedemeyer, too, resoundingly endorsed the objectives of S. 3477—designed to improve and strengthen the extension educational program.

Reflecting thoughtfully upon challenges in the field of education, I request unanimous consent to have the letter from Director Wedemeyer printed at this point in the RECORD.

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

THE UNIVERSITY OF WISCONSIN,
UNIVERSITY EXTENSION DIVISION,
August 9, 1962.

Hon. ALEXANDER WILEY,
The U.S. Senate,
Washington, D.C.

MY DEAR SENATOR WILEY: I was pleased to note (in the CONGRESSIONAL RECORD of June 1, 1962) your concern with the problem of school dropouts. I hope your proposal to carry out a national study of the problem will be accepted.

You know, I am sure, that one of the Nation's strongest bulwarks against dropouts is the university extension system. You may recall that university extension had its origins at the University of Wisconsin and

has now spread throughout the country and the world. The National University Extension Association includes some 85 universities whose educational programs—for youth, college students, and adults—reach out to people wherever they are. Over 50 of these universities (the correspondence study division of NUEA) offer instruction by correspondence, including courses for regular university credit. There are literally thousands of high-quality courses available at low cost through extension. Unfortunately, the universities that offer such instruction are generally unable to advertise the available educational opportunities to those persons who most need them. The bitter complaint we often receive from persons who have just found out about our programs is, "Why didn't I know about these opportunities sooner?"

The answer to the dropout problem, and the need for continuing education throughout adult life, is not the creation of new systems of education, but rather the more extensive use of those systems appropriately designed for these problems which are already in existence. In this connection the general extension bill, S. 3477, is of the utmost importance in helping extension divisions to equalize educational opportunities for citizens who are "out of phase" with local education programs, as well as for other reasons. I am pleased that you are a cosponsor of bill S. 3477, and hope that you will continue to support it strongly and bring about its passage.

* * * * *

Sincerely yours,

CHARLES A. WEDEMEYER,
Director.

Mr. MORSE. Mr. President, I ask unanimous consent that a letter dated August 15, 1962, which I have received from officials of the American Association of University Women, in support of my education amendment, KKKK, together with my supplemental statement on my amendment TTTT be printed at this point in my remarks together with my supplemental statement upon my amendment JJJJ.

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

AMERICAN ASSOCIATION OF UNIVERSITY WOMEN,
Washington, D.C., August 15, 1962.

Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: Through the work of the Washington staff of the American Association of University Women, we have learned of your proposal made during the course of the hearings of the Senate Foreign Relations Committee on the communications satellite bill. We believe that it is essential in the interests of education to comment on two points which have arisen in these hearings. We firmly believe that specific channels should be reserved for educational purposes. We further support your proposal that if any lease arrangement is made with private corporations for the use of the wave lengths of the satellite system, the revenue should be designated for educational purposes.

Respectfully yours,

VETA LEE SMITH,
Chairman, Mass Media Committee.
KATHERINE W. BAIN,
Chairman, Legislative Program Committee.
Dr. MAYCIE K. SOUTHALL,
Chairman, Elementary and Secondary Education Committee.
Dr. R. JEAN BROWNLEE,
Chairman, Higher Education Committee.

SUPPLEMENTAL STATEMENT BY SENATOR MORSE ON AMENDMENT TTTT

I have received the following information concerning the President's Equal Job Opportunity Committee.

The Committee has received in the last year and a half 18 to 20 complaints from the NAACP concerning alleged employment discrimination by A.T. & T. or its subsidiaries (Southern Bell, Southwestern Bell, Western Electric, and C. & P. Co.).

The complaints fall into three categories. There are those in which the Committee has no jurisdiction as the Federal Government has no contract with the facilities in question (for reasons set forth below); second, those in which the allegations have not been resolved; and three, those in which complaints have been satisfactorily resolved (primarily in the case of Western Electric Co.).

Most Government relations with utility companies, including communication utilities companies are not performed on a contract basis. There is a GAO regulation calling for the "permissive nonuse of contracts" where rates and tariffs are regulated by law. Therefore, in the bulk of cases coming to the attention of the President's Committee, it is likely to be found that the Committee does not have jurisdiction under the Executive order which is limited in scope to cases in which employment is performed under Government contract.

SUPPLEMENTARY STATEMENT BY SENATOR MORSE ON AMENDMENT JJJJ PURSUANT TO UNANIMOUS-CONSENT AGREEMENT OBTAINED BY SENATOR KEFAUVER

I have here a very brief memo which cites three cases which support my amendment 8-13-26—JJJJ which was called up at last evening's session, and is found at page 16648 of the CONGRESSIONAL RECORD.

Unfortunately, this memo could not be presented or discussed at that time or this.

Because it sets forth additional legal support for my amendment and stresses the dangers of verticle integration under the antitrust laws, the data should be included in the RECORD.

MEMORANDUM

On Monday, June 25, 1962, the Supreme Court reaffirmed our fundamental belief in competition, in the preservation of the small independent businessman and again pointed to the danger of concentration of economic power. In the Brown Shoe Co. case, the court held that acquisition of the largest independent chain of family shoe stores by the fourth largest shoe manufacturer, itself a leading shoe retailer both directly and indirectly, violated section 7 of the Clayton Act, as amended by the Celler-Kefauver Act of 1950. The considerations which led the Court to this conclusion are directly relevant here, and indicate that the acquisition of powerful stock positions in the corporation would similarly violate section 7.

To start with, the Court stressed that "the dominant theme pervading congressional consideration of the 1950 amendments was a fear of what was considered to be a rising tide of economic concentration in the American economy"[1] (p. 20). And it approvingly quoted a statement by Learned Hand.[2]

It went on to find that the acquisition of the leading independent family shoe chain by one of the leading shoe manufacturers would foreclose a substantial share of the market to small manufacturers.

Exactly the same effect will result from the proposed organization of the satellite—A.T. & T., RCA, GE, Lockheed, and other large equipment manufacturers who will buy most of the stock will certainly try to raise their inside position to allocate the bulk of the corporation's equipment procurement to themselves. It is to prevent this evil of vertical combination that my amendment was introduced.

A.T. & T. presently buys all but a negligible fraction of its equipment from its own subsidiary and, as shown by testimony before my subcommittee, from small businessmen. This Western Electric monopoly has seriously hampered many small businessmen. The passage of this legislation will thus fly directly in the teeth of our professed concern for the small businessman and the reduction of concentration.

And let there be no mistake about the probabilities of this—GE and others clamored for a chance to buy stock in the corporation, because they feared A.T. & T. would funnel all satellite procurement to itself. Obviously, this was because they plan to use this stockownership to get a piece of the pie for themselves.

And one doesn't need full ownership to obtain such power. In the *Du Pont-General Motors* case, *U.S.* v. *E. I. Du Pont de Nemours & Co.*, 313 U.S. 586 (1957), the Supreme Court found that Du Pont's 23-percent stockownership in GM gave it an unfair competitive advantage in the sale of finishes and fabrics, in violation of section 7. In the satellite corporation, A.T. & T. can hold up to 50 percent, and, according to one of the bill's own proponents, Mr. Kazenbagh is likely to take 35 percent. According to the testimony of Mr. Minow in the Foreign Relations Committee, it would be about 40 percent.

And the fallacy that ownership can possible resolve these antitrust problems was exploded in that very decision. In footnote 56 of the majority opinion, the Court stated:

"The potency of the influence of Du Pont's 23 percent stock is greater today (than when just purchased) because of the diffusion of the remaining shares which, in 1947, were held by 436,510 stockholders; 92 percent owned no more than 100 shares each and 60 percent owned no more than 25 shares each."

The fact that there may be a few other large stockholders, none of whom can own more than 10 percent of the voting stock, does nothing to cut down the effect of the 35 to 40 percent or more of the voting stock which A.T. & T. will have.

Moreover, the decision in Du Pont-General Motors did not turn on the number of directors Du Pont had. The fact is that Du Pont had very few—never more than 6 or 7, of board which, between 1925 and 1947 was between 32 and 30, and very frequently less. In 1923, Du Pont just bought this 23-percent stock for the express purpose of getting a share of the General Motors market, it contented itself with only two directors. (Lee 1953 Trade Cases, p. 69,927.)

The Brown Shoe opinion also found that Brown Shoe's retail outlets competed with Kenney and that the merger would eliminate this kind of competition as well in many cities. The same result will flow from the acquisition of huge shares of stock in this satellite corporation by A.T. & T., with whom the satellite will compete. Elimination of such competition will inevitably result and is, indeed, the purpose of permitting the carriers to control the satellite, according to FCC testimony before both the Kefauver antimonopoly committee (pp. 332–333) and other committees of the Congress. Such deliberate suppression of competition could not be more offensive to our system of free enterprise which relies upon and is supposed to foster competition.

Again, as I have pointed out earlier, the fact that 100-percent ownership is not involved is irrelevant—in many cases, merely partial ownership has been held to violate section 7 because of the "reasonable probability—which the Court reaffirmed as the appropriate test—that competition would be

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[1] *U.S.* v. *Aluminum Co. of America* (148 F. 2d 416, 429 (2d Cir. 1945).

[2] Not supplied.

lessened. Strikingly parallel situation, Benrus Watch Co. was enjoined from voting a 24-percent stock interest in Hamilton Watch Co. (*see Hamilton Watch Co.* v. *Benrus Watch Co.*, 114 F. Supp. 307 (D., Conn.), aff'd, 206 F. 2d 738 (2d Cir. 1953).) The requisition of this stock by a competitor was held to result in a danger of a lessening of competition. Benrus right to elect just one director was held to give Benrus an opportunity "to persuade or to compel a relaxation of the full vigor of Hamilton's competitive effort." And that referred to just one director—here, A.T. & T. will be able to have three.

For these reasons I believe my amendment should be considered upon its merits, and be added to the bill.

CALIFORNIA COUNCIL OF GROWERS DENY INTENT TO SUE SECRETARY GOLDBERG

Mr. WILLIAMS of New Jersey. Mr. President, I am very happy to inform the Senate that the California Council of Growers is not contemplating a suit against Secretary of Labor Arthur Goldberg as the Washington Post indicated 3 weeks ago. Many of us were very disturbed 3 weeks ago to read that the growers intended to initiate legal action against the Secretary contending that he had no right to set a minimum wage for braceros in California. Several of us associated ourselves with the Secretary's action; I remember our discussion of the contemplated suit and our support for the Secretary at that time.

I received a letter from the California Council of Growers providing unique evidence that they were not and are not contemplating such a suit. I am pleased to find then that Secretary Goldberg's reputation for fairness and ability has spread all over the country; it is entirely deserved. In what is perhaps an unusual type of tribute to the Secretary, therefore, I ask unanimous consent that the July 17 story in the Washington Post headlined "Goldberg May Face Suit on Farm Wage," together with the Council of California Growers letter to me disclaiming any such intent, be printed at this point in the RECORD.

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

COUNCIL OF CALIFORNIA GROWERS,
San Francisco, Calif., July 23 1962.

Hon. HARRISON WILLIAMS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR WILLIAMS: On page 13897 of the CONGRESSIONAL RECORD dated July 17, 1962, there appears a statement entered by yourself concerning, "the threatened legal action against Secretary of Labor Arthur J. Goldberg by the Council of California Growers."

On behalf of the council, I wish to advise you that the Council of California Growers is not planning any such legal action against Secretary of Labor Goldberg, nor does the council intend to bring any such legal action against Secretary Goldberg in the future.

The Council of California Growers is strictly a public relations and news reporting organization for California agriculture. As such, it is in no way engaged in the filing or prosecution of legal action as you have stated in the CONGRESSIONAL RECORD. Nor is the Council engaged in any other activity relating to farm labor matters with the single exception of performing a news and information disseminating service to—and on behalf of—California agriculture in general.

I would also like to point out that the council's public relations and news disseminating activities are by no means restricted to the subject of farm labor. The council was established for the express purpose of establishing a two-way communications system to—and from—California agriculture. This communications system was established so that (1) information relating to any and all phases of California agriculture could be made known to individual farmers throughout California, and (2) so that the general public could become better informed on the various matters related to California agriculture—our State's most vital industry.

In view of these facts, we respectfully request that the CONGRESSIONAL RECORD be corrected at the earliest possible opportunity and that said correction make it absolutely clear that the Council of California Growers is not bringing about, nor "threatening" legal action against Secretary of Labor Goldberg as was indicated in your entry of July 17, 1962.

Sincerely,

O. W. FILLERUP,
Executive Vice President.

GOLDBERG MAY FACE SUIT ON FARM WAGE

(By Harry Bernstein)

LOS ANGELES—Secretary of Labor Arthur J. Goldberg may be faced soon with legal action by California growers who charge he has illegally imposed a minimum wage for farm workers.

The planned legal action and other grower activities protesting Government moves in the farm labor situation is regarded as an indication that the growers now regard their key battle as one with the Department of Labor rather than with attempts to unionize agricultural workers.

Two years ago, the growers were spending most of their time and money put into their associations in a fight against unionization.

Now, one grower representative said, the center of the battle has become concentrated in protests against Government actions that have limited the use of imported Mexican farmworkers (braceros) and set minimum wages for braceros that "mean a minimum for domestic (American) too."

A $1 MINIMUM IS SET

Goldberg, last March 29, after a series of hearings around the Nation, said no braceros could be hired at a rate below $1 in California. Rates in other States ranged from 60 cents in Arkansas to the $1 figure for 16 States.

Anything less, he said, would adversely affect the wages and working conditions of domestic farmworkers.

The growers, according to Jack Miller, head of the Agricultural Producers Labor Committee, contend that Goldberg has no legal right to fix the minimum wage rate since Congress has refused to include farmworkers in the Federal minimum-wage law.

While the growers now seem unconcerned about the union organizing campaign, union leaders say the campaign is far from over.

The AFL–CIO in late 1960 established the Agricultural Workers Organizing Committee, which, along with the United Packinghouse Workers, made a major attempt to organize farmworkers in Imperial Valley, near the Mexican border.

IMPROVEMENTS REPORTED

A series of strikes there, union spokesmen contend, helped improve wages and working conditions, but no union contracts were signed.

Officials of both the Eisenhower and Kennedy administrations have decried what is called the "plight of the forgotten Americans," the farmworkers who now average about $900 a year.

The Government has partially supported union contentions that the use of braceros is almost automatically harmful to domestic workers.

A spokesman for the privately run emergency committee to aid farmworkers here, said "the public will not permit any further extensions of Public Law 78 (the bracero program) because as long as braceros are so easily available, growers are doing almost nothing to provide wages and working conditions which would insure a stable domestic work force."

HIGHEST FARM WAGES

The committee, which includes such men as poet Carl Sandburg and author John Steinbeck, "wants the same kind of programing now used to help braceros to be utilized for American workers," the spokesman said.

The Council of California Growers points out that farm wages in this State are the highest in the Nation (averaging $1.25 an hour), and the council emphasized that the law does not permit growers to hire braceros unless there is a shortage of domestic workers.

The Department of Labor says that in the past this provision has been inadequately enforced, but additional appropriations are being sought to make more vigorous enforcement of the law possible.

Miller, speaking for the growers' labor committee, said the $1 minimum in California is resulting in "the creation of a feeling among many domestic workers that they don't have to work as hard, that they will get their $1 even if they don't produce."

RECESS UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, if there is no further business to come before the Senate this evening, I move that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 7 o'clock and 8 minutes p.m.) the Senate took a recess, under the order previously entered, until tomorrow, Friday, August 17, 1962, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate August 16 (legislative day of August 14), 1962:

DIPLOMATIC AND FOREIGN SERVICE

Francis H. Russell, of Maine, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Tunisia.

U.S. CIRCUIT JUDGE

Carl E. McGowan, of Illinois, to be U.S. circuit judge for the District of Columbia circuit, vice Henry W. Edgerton, retiring.

IN THE AIR FORCE

Gen. Lauris Norstad, 25A (major general, Regular Air Force), U.S. Air Force, to be placed on the retired list in the grade of general, under the provisions of section 8962, title 10, of the United States Code.

Lt. Gen. John P. McConnell, 611A (major general, Regular Air Force), U.S. Air Force, to be assigned to positions of importance and responsibility designated by the President in the rank of general, under the provisions of section 8066, title 10, of the United States Code.

Maj. Gen. Joseph J. Nazzaro, 124A (major general, Regular Air Force), U.S. Air Force, to be assigned to positions of importance and responsibility designated by the President in the rank of lieutenant

general, under the provisions of section 8066, title 10, of the United States Code.

The following-named officers for temporary appointment in the U.S. Air Force, under the provisions of chapter 839, title 10, of the United States Code:

To be major generals

Brig. Gen. Jack N. Donohew, 1319A, Regular Air Force.

Brig. Gen. Paul T. Preuss, 1407A, Regular Air Force.

Brig. Gen. Maurice C. Harlan, 18858A (colonel, Regular Air Force, Dental), U.S. Air Force.

Brig. Gen. Robert P. Taylor, 18737A (colonel, Regular Air Force, Chaplain), U.S. Air Force.

To be brigadier generals

Col. Michael J. Ingelido, 4295A, Regular Air Force.

Col. Edwin R. Chess, 55101A (lieutenant colonel, Regular Air Force, Chaplain), U.S. Air Force.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 16, 1962

The House met at 12 o'clock noon.

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

Psalm 36: 7: *How excellent is Thy loving-kindness, O God; therefore the children of men put their trust under the shadow of Thy wings.*

O God of all grace, Thou knowest how greatly we need a more vivid sense of Thy living presence to keep our minds and hearts aglow with the light of Thy divine wisdom and love.

We humbly acknowledge that we are frequently confused and confounded by conditions and circumstances which are so very dark and difficult.

Grant that Thou wilt manifest Thy loving-kindness to all whose days and nights are a litany of doubt and despondency and show us how we may kindle within them the spirit of heroic faith and hope as they look and wait wistfully for the dawning of a better day.

Hear us in His name who is our shield and shelter both now and forever. Amen.

THE JOURNAL

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

THE REPUBLIC OF CYPRUS—ITS INDEPENDENCE DAY

Mr. RYAN of New York. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. RYAN of New York. Mr. Speaker, the small island of Cyprus in the eastern Mediterranean is one of the oldest inhabited islands in the ancient world. Today it is one of the newest independent and sovereign states in the Middle East.

In ancient and medieval times the clever and enterprising seafaring Greek merchants of the island had enjoyed a considerable measure of freedom. In early modern times, when they became subjects of Ottoman sultans, they lost much of their freedom. In the course of some 300 years of Turkish rule tens of thousands of Turks settled in Cyprus, who since the turn of this century have constituted about one-fourth of its 560,000 inhabitants. Late in the 19th century Cyprus became a British protectorate. They longed for their independence. In August 1960, the Greek and Turkish Cypriots finally, after years of bitter strife, agreed to live together on the island in peace, and with that understanding, Britain granted the inhabitants of Cyprus freedom and independence. On August 16, 2 years ago, the Republic of Cyprus was proclaimed. On the second anniversary of that event I greet the citizens of Cyprus as our friends and allies in our struggle for peace and democracy.

APPOINTMENT OF JUDGES IN THE DISTRICT OF COLUMBIA

Mr. DOWDY. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (S. 3428) relating to the appointment of judges to the municipal court for the District of Columbia, the municipal court of appeals for the District of Columbia, and the juvenile court of the District of Columbia and ask unanimous consent that it be considered in the House as in Committee of the Whole.

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 (a) the second sentence of the first section of the Act entitled "An Act to consolidate the Police Court of the District of Columbia and the Municipal Court of the District of Columbia, to be known as 'The Municipal Court for the District of Columbia', to create 'The Municipal Court of Appeals for the District of Columbia', and for other purposes", approved April 1, 1942 (56 Stat. 190; D.C. Code, sec. 11–752), as amended, is amended to read as follows: "The court shall consist of a chief judge and fifteen associate judges appointed by the President with the advice and consent of the Senate."

(b) The third sentence of section 6 of such Act, as amended (D.C. Code, sec. 11–771), is amended to read as follows: "The said court shall consist of a chief judge and two associate judges appointed by the President with the advice and consent of the Senate, two of whom shall constitute a quorum."

SEC. 2. (a) Subsection (a) of section 19 of the Juvenile Court Act of the District of Columbia, approved June 1, 1938 (52 Stat. 601; D.C. Code, sec. 11–920), as amended, is amended by striking out "three judges" and inserting in lieu thereof the following: "a chief judge and two associate judges".

(b) Subsection (c) of section 19 of such Act is amended by striking out the first sentence thereof.

SEC. 3. Nothing contained in any amendment made by this Act shall be construed as affecting any appointment or designation as a judge or chief judge of the municipal court for the District of Columbia, the municipal court of appeals for the District of Columbia, or the juvenile court of the District of Columbia made prior to the date of enactment of this Act.

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

Mr. DOWDY. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a statement of the purposes of the bill and also a letter from Deputy Attorney General Katzenbach relative to the bill.

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

There was no objection.

Mr. DOWDY. Mr. Speaker, the purpose of this bill is to remove any existing ambiguity concerning the power of appointment of chief judges for the municipal court of appeals, for the municipal court, and for the juvenile court of the District of Columbia by amending existing law to provide clearly that such chief judges shall be appointed by the President with the advice and consent of the Senate.

In 1942, the Congress enacted Public Law 512 to establish the present municipal court and the municipal court of appeals for the District of Columbia. This act also provided for a new position of chief judge for each of these courts. The House bill, H.R. 5784, 77th Congress, carried language which clearly provided that such chief judges of those courts were to be appointed by the President with the advice and consent of the Senate.

That bill, as introduced, provided as follows concerning the municipal court:

The court shall consist of a chief judge and nine associate judges appointed by the President with the advice and consent of the Senate.

In relation to the municipal court of appeals, section 6(a) of the House bill provided as follows:

The municipal court of appeals shall consist of a chief judge and two associate judges appointed by the President, with the advice and consent of the Senate.

When this bill was considered by the Senate, the text of the bill was revised language provided as to both courts that the judges be "appointed by the President with the advice and consent of the Senate, one of whom shall be designated by the President as chief judge."

During the intervening years, appointments of chief judges have been made "with the advice and consent of the Senate." On October 1, 1961, the Justice Department advised the Senate Committee on the District of Columbia of its intention to depart from the established procedure and to appoint a chief judge for the municipal court of appeals by designating the Honorable Andrew Hood, associate judge of the municipal court of appeals, to be chief judge without submitting the designation to the Senate for approval.

The Senate Committee on the District of Columbia thereafter made a careful study of the existing law and found no legislative intent that the appointment of chief judges be exempt from Senate confirmation. However,

possible ambiguity of language was found in Public Law 512 of the 77th Congress. To clarify the law, all members of the Senate Committee on the District of Columbia joined in sponsoring the pending bill, S. 3428.

The language of this bill essentially restores the original language of H.R. 5784 of the 77th Congress by providing that the chief judges of the municipal court of appeals, the municipal court, and the juvenile court of the District of Columbia shall be appointed by the President with the advice and consent of the Senate.

This bill does not add any new judges to any of the courts and does not involve any additional expenditures. The House Committee on the District of Columbia in full executive session gave unanimous approval to the bill. The Senate is withholding action on recommendations for judicial appointments to the juvenile court pending approval of this bill.

JULY 30, 1962.

Hon. ALAN BIBLE,
Chairman, Committee on the District of Columbia, U.S. Senate, Washington, D.C.

DEAR SENATOR: This is in response to your request for the views of the Department of Justice on S. 3428, a bill relating to the appointment of judges to the municipal court for the District of Columbia, the municipal court of appeals for the District of Columbia, and the juvenile court of the District of Columbia.

The language of existing law relating to the appointment of judges to the above courts has raised a question as to whether designations of the chief judges of those courts are subject to Senate confirmation. The bill would provide specifically that the chief judges and associate judges shall be appointed by the President with the advice and consent of the Senate. This would be consistent with laws providing for the appointment of chief judges and associate judges of other courts, including the Supreme Court.

Accordingly, the Department of Justice favors enactment of the bill.

The Bureau of the Budget has advised that there is no objection to the submission of this report from the standpoint of the administration's program.

Sincerely yours,
NICHOLAS DEB. KATZENBACH,
Deputy Attorney General.

PUBLIC WORKS APPROPRIATION BILL, 1963

Mr. CANNON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

Pending that motion, I would like to agree with the gentleman from Iowa on time for debate. I wonder if it would be agreeable to the gentleman if we on the bill be limited not to exceed 1 hour.

Mr. JENSEN. I would agree to that due to the fact that the bill came out of the subcommittee and the full committee with almost perfect agreement. There might be an item or two that some of us would rather have out of the bill, but as a whole the bill is a good one and should not take more than 1 hour of general debate, 30 minutes on a side. If others want to speak on the bill which the 1 hour will not permit, of course, they can proceed under the 5-minute rule.

Mr. CANNON. Mr. Speaker, I ask unanimous consent that general debate on the bill be limited not to exceed 1 hour.

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

Mr. HALLECK. Mr. Speaker, reserving the right to object, and I am not going to object, I want to say to the chairman that I wish as soon as possible to call to your attention and that of the members of the committee the inclusion of an item of $50,000 for a further harbor survey on the shore of Lake Michigan in Indiana. I just want it understood that the survey has been made.

I started that, because when I first came here in 1935 I took up this matter with Governor McNutt and later with Governor Schricker, Senator Van Nuys and Senator Minton. I want to call to the attention of the committee the fact that the Army Engineers surveyed the whole lake shore of Lake Michigan in Indiana and they came up with the definite conclusion that there is only one place on the Indiana shore of Lake Michigan which had sufficient space available for the type of industrial and commercial harbor desired by local interests.

The point I make is I cannot see any reason for throwing $50,000 down a rathole to resurvey something that has been surveyed already, and in respect to which a definite conclusion has been reached.

Mr. Speaker, I withdraw my reservation of objection.

Mr. CANNON. The gentleman understands that the bill will be read paragraph by paragraph, and ample opportunity to discuss any item will be afforded when it comes up in the regular order.

Mr. FORD. Mr. Speaker, reserving the right to object, I take this time to make an inquiry concerning a rumor I have heard that at the conclusion of this bill, which is the last bill on the whip notice for this week, the GI insurance reopening bill is scheduled to be called up. If it is proposed to call up H.R. 12333 it is my intention to object to its consideration today.

What is the schedule concerning that proposed legislation?

Mr. CANNON. I trust the consideration of pending appropriation bill will move with such expedition as to obviate the gentleman's inquiry.

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

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

Mr. ALBERT. We had planned to bring up the GI bill under a rule, if a rule is granted, on Monday; but in view of the fact that we have no other major legislative business ready to be scheduled for next week, we had hoped we might be able by a two-thirds vote, if necessary, to bring that bill up today or tomorrow, and also to dispose of three or four other legislative matters. We hope to do this only for the purpose of giving the Members of the House the opportunity to take off next week. This will probably be our last chance to take a week off before the beginning of the next school term.

That is the plan and that is the purpose. Of course we can program this bill for Monday, and I think we will have to program the bill for Monday unless we can dispose of it this week.

Mr. FORD. As I understand the schedule for the week preceding Labor Day, it is intended to have at least two bills up of some significance. It is my feeling there is no urgency about the consideration of this bill for extension of GI insurance. Why cannot H.R. 12333 be fitted into that week just before Labor Day?

Mr. ALBERT. The decision has been made. Others are involved in the decision that this bill will be taken up not later than Monday of next week.

Mr. FORD. I understand some of the background of this controversy. Personally, I resent that there are some Members of the other body who seem to be influencing our legislative schedule. I am not blaming my good friend from Oklahoma, but, as one individual, I resent the kind of pressure they are exerting on us to bring this thing up without any previous notice, bringing up a bill that was not on the whip notice for this week.

I am constrained under the circumstances to indicate what my position will be, that I will object to the consideration. If the leadership wants to bring it up under a two-thirds vote, I will be one who will oppose such action.

Mr. HALLECK. Mr. Speaker, I think I should say to the membership that for some days there have been discussions regarding the possibility of a light schedule for next week which might accommodate a great many Members.

I want to say to the gentleman from Michigan that up until shortly before noon today I did not know about the arrangement with respect to this particular measure in which he is interested. If two-thirds of the Members want it, whether it comes up today or some other day will not make much difference, although I understand the gentleman objects. But I think in fairness to the majority leader and the Speaker, insofar as the arrangement for next week is concerned, I have consulted with them and they have consulted with me, and I have consulted with numerous Members, in the hope that we could work out a schedule next week.

Mr. FORD. Is it not also fair to say that the gentleman had no forewarning that this legislation would be put on the agenda before next week?

Mr. HALLECK. If the gentleman will yield, I do say to the gentleman that until shortly before noon, I had no

knowledge of this arrangement. It was suggested to me that otherwise it might have to come up next week.

Mr. ALBERT. Mr. Speaker, if the gentleman will yield, I had definitely planned and had arranged with the gentleman from Texas [Mr. TEAGUE], that the bill would be programed for Monday. But in view of the total situation, I am prepared now to announce other bills that we can take up either this week or next week. There are three bills which can be considered which come from the Committee on Armed Services. I would like to get them up. I have talked to the gentleman from Illinois about this.

Mr. VINSON. We are ready to take those up at any time.

Mr. ALBERT. The gentleman from Georgia [Mr. VINSON], advises that they are ready for consideration. These bills are: S. 2020, having to do with development of the South Barron gasfield; H.R. 5423, regarding possession of oil shale reserves, and H.R. 12081, on the conveyance of land in California at the Hunter-Liggett Military Reservation.

I would like to further advise that we had planned to bring up the GI bill on Monday. It is only a matter of accommodating the Members of the House that we now hope to bring up the bill this week.

Mr. FORD. As I say, Mr. Speaker, I am constrained under the circumstances to ask the consideration of the leadership that at the time this bill is to be scheduled today I be advised previously in order that I can be here to indicate my objection. If the House wishes to act by a two-thirds vote, that is of course the decision of the House. However, I do ask that I be given an opportunity to be here when I can raise my objection to this procedure of bringing legislation to the floor without previous notification.

Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There was no objection.

The SPEAKER. The Chair would like the attention of the gentleman from Michigan [Mr. FORD]. The Chair desires to state that a number of Members have spoken to me as Speaker about the problems that confront them, which problems I thoroughly appreciate. In my years of experience as majority leader I always bore these problems in mind. But this situation did not develop until within 24 hours where arrangements could be made for next week. There are problems of the leadership, and there are problems of all the Members.

The Chair felt if this bill could be brought up today, and these other three bills, we could adjourn over today until Monday of next week, and from Monday of next week to Thursday of next week, and from Thursday of next week to the following Monday. The Chair takes complete responsibility, the responsibility, as the Chair felt, being in the interest of the Members of the House that consideration could be given at this time because later on the Chair could see where there would be extreme difficulty and next week afforded an excellent opportunity. These decisions are made rather quickly because we just do not know what problems might arise. As a matter of fact, the Chair did not definitely make the decision until this morning, although the Chair had pretty well formulated it in the mind of the Chair yesterday afternoon and last evening.

Mr. FORD. Would the Speaker grant me unanimous consent to proceed for 1 minute?

The SPEAKER. The Chair recognizes the gentleman from Michigan.

Mr. FORD. Mr. Speaker, I think my past record is fairly clear in trying to cooperate with the leadership. It is certainly my intention to do so to the maximum extent possible in the future. Unfortunately certain facts probably should not be stated on the floor concerning the background of this legislative controversy. One way to extricate the House from this dilemma is to make certain changes in H.R. 12333. If this could be done I would have less objection to the committee's proposal. Unless such changes can be made in the bill I am unalterably opposed. I do not like the position in which I find myself but I do not intend to let Members of the other body dictate our legislative schedule.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12900) with Mr. BOGGS in the chair.

The Clerk read the title of the bill.

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

Mr. CANNON. Mr. Chairman, we bring you today the bill of the year—the culmination of the domestic fiscal program for the session.

This bill changes the face of America. It reconstructs the continent. It preserves and activates and vitalizes the resources of the Nation.

The bill is comprehensive. It includes every State and practically every congressional district in the Union. There is something here for everybody and no project of merit has been omitted. The bill promotes universally the health, happiness, and prosperity of the people as a whole of every section of the country. It supplements the policy and purpose and program of the President of the United States as declared in his inaugural address and in his notable address to the Nation over the air this week.

It rejuvenates and accelerates the business progress of the country. It starts new wheels turning, both urban and rural. It moves up the pace both in the factory and on the farm. It creates new jobs and new markets. It opens up new avenues and develops new skills and starts the cash registers ringing in every community.

It protects and renews depleted national resources. It purifies rivers and curbs unruly floods. It integrates and amplifies power production and transmission at reasonable rates.

It is true that the cost is heavy and that some of the cost must be paid by the children and grandchildren, but it saves and transmits to posterity invaluable resources and national wealth and economic democracy, which otherwise would be lost to the people forever.

The bill husbands and sustains and promotes in atomic energy the fabrication and perfection of new tools and new weapons without which the future of the Republic is seriously problematical.

It insures to that extent the continuation of a classless democracy—of government and standard of living—that constitutes an indispensable part of the prerogatives reserved and guaranteed to the public by the Constitution of the United States.

Of course, we could not include every request; we could not provide for every suggestion; we could not comply with every importunity. We were necessarily constrained to omit local projects dear to the hearts of some of our friends, the ultimate cost of which would have aggregated billions of dollars and which, if included in this bill, would have rendered it ridiculous and impracticable, and which would have imperiled the rest of a wise and warranted program.

I trust, Mr. Chairman, that they will not be offered on the floor here in the form of amendments, but if they are, it should be remembered that this bill was formulated and written, after long consideration, and exhaustive hearings, and after consultation with the most eminent authorities of the Congress and the country, and it should be remembered that the President in his fireside talk the other evening warned of the need of economy and of the demand for tax reduction and the unavoidable consequences of deficit spending at this critical time.

There is a point of reckless expenditure beyond which we cannot—beyond which we must not—venture however great the local demand for economic and political advantage which might accrue to sections already amply favored in this bill and in previous bills of this character.

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

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

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

Mr. GROSS. The gentleman says that no project of merit has been omitted. Would he also say that no unmeritorious projects have been included in this bill?

Mr. CANNON. Of course, the gentleman understands that the term is relative—that when we say, "No project of merit," we mean "No project of sufficient merit."

There is merit in all projects proposed—to a greater or less degree—and in every bill of this character. There may be some projects in this bill which are of less merit than others. The committee after months of hearings has made a voluminous record, which has been submitted to the gentleman and of which he has, I am certain, read every

word. He must be aware of the extent of the need which prompted the committee to include particular projects.

Mr. GROSS. This bill is $672 million or almost $673 million more than was expended on public works in the last fiscal year.

Mr. CANNON. The gentleman overlooks the fact that there has been a material reduction in this instance and that the Bureau of the Budget sent up requests for much more than the amounts allowed by the committee. The committee in the interest of economy has seen fit to reduce the budget requests of the administration and the departments.

Mr. GROSS. Will not the gentleman agree with me that the budget figures are always the asking price and usually most committees, as a matter of course, cut the budget request? I am speaking now of the more than half a billion dollars increase over the same pork barrel bill in fiscal year 1962.

Mr. CANNON. The gentleman has been here a long time and is unusually well informed. I regard his opinion as highly as I regard any opinion that could be expressed here. I am certain also he understands the circumstances calling for the inclusion of every item in this bill.

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

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

Mr. EVINS. The gentleman from Missouri might also point out to the gentleman from Iowa that $312 million of this amount more than last year is to the Atomic Energy Commission for the tests they have been making and for other weapons requirements.

Mr. CANNON. That is true. The atomic energy items reflect the greatest increase of any section of the bill. The appropriations for the routine public works—especially the river and harbor items of the bill—are less than usual.

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

Mr. Chairman, I may say at the outset of my remarks that I approve of this bill as a whole. I did offer several amendments to the bill in the committee, amendments which sought to considerably reduce the bill. The committee did not see fit to approve all my amendments. Nevertheless, I come before the House today in support of the bill.

The budget request for these many, many functions of Government was in the amount of $4,745,332,000. We reduced those figures by $131,524,100. The bill we bring before you today is in the amount of $4,613,807,900. It must be remembered, however, that in that amount we have included for the Atomic Energy Commission, for their regular functions, $3,122,819,000. This brings the balance of the bill down to $1,490,988,900.

This bill is about $670 million over the appropriations for 1962. However, in that amount you will find an increase of $571 million-plus for the Atomic Energy Commission's weapons program. This leaves an amount of a little over $100 million for these other many, many functions of Government which cover the United States like a blanket.

There is scarcely a district in the entire United States that does not suffer a disastrous flood at least once every 10 years, and there are many districts, many areas in this country which will suffer devastating floods three, four, and five times every 10 years. Those floods are not only destructive of property in the amount of billions of dollars, but also in the loss of human lives. You will find in this bill, funds to carry on flood control projects that are now under construction or in the planning stage, and funds for preliminary investigation and surveys.

I may say that there were in the neighborhood of 1,000 people from all over America who came before the committee to testify in favor of the projects which they felt were absolutely necessary. Here you can see a stack of hearings about a foot high, 5,633 printed pages of hearings, Mr. Chairman.

Among the people who came before our committee were not only the people from these disaster areas but also the officers and members of the U.S. Army Engineers. The Secretary of the Interior, Mr. Udall, the Chief of the Bureau of Reclamation, and their staffs appeared before the committee to justify the budget requests.

When the hearings were over we held our markup—I should call it a markdown, because we reduced the President's budget in the amount of $131,524,100.

Mr. Chairman, this bill is an all-American bill. It is to develop our natural resources, to control our rivers, to preserve and conserve our water and soil resources and for everything that is good for the progress of America.

I offer no alibis or excuses for the bill that has come out of this committee on interior and public works appropriations during the past 20 years.

Mr. Chairman, it has been said that God made heaven perfect in all its aspects, and surely heaven must be perfect. But God purposely made the earth imperfect. Had He not done so, we would have long ago become a nation of drones and we would have perished as the drone in the beehive soon perishes. Yes; it is our duty as Members of this Congress and the duty of every American, as I see it, to assist in making this earth a little more perfect in all its physical aspects. We call it reclamation. Had we not done this long ago our land would have eroded, washed away, and blown away. Of course, we have had a lot of help from that great organization, the Soil Conservation Service, in reclaiming, protecting, and conserving here a nation of fertile, productive land. Therefore, my colleagues, I am proud to be a member of this committee. I commend every member of the committee. I commend our good clerks who work diligently year in and year out to get the information which we, the members of this committee, must have in order to bring to the House of Representatives a bill which is justified and which will stand the acid test.

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

Mr. Chairman and members of the Committee, last year when this bill was before the House I made this statement:

> It is the cheapest public works bill you will see for many, many years.

Now, this year it is $672.8 million more than it was last year. This bill, of course, includes the request for the Atomic Energy Commission, which accounts for $572.4 million of the increase, primarily for the weapons program, including testing.

I believe this is one of the best bills which has ever come before the Members of the House. We all recall that former President Theodore Roosevelt, a great President, instituted the Reclamation Act in 1902. From 1902 to World War I all we spent in America for reclamation and water resources development was about $300 million. So you know what we are going to have to pay in the next 10 or 15 years to save what Mr. Theodore Roosevelt started to save in 1902. There is no escape from it, if we are to preserve and develop our great natural resources.

Just to give you a little idea of the task facing our committee on this bill, I have in front of me a project listing, covering nine very large pages. It involves over 300 projects on which the Members of Congress asked the committee to either raise the budget or insert starts that were not budgeted. Needless to say, considering all the factors involved, it is possible to implement only a relatively small number of these unbudgeted items in any one fiscal year.

The bill includes funds for a total of 459 projects with a total estimated Federal cost of about $17 billion. Of course, many of these have been under construction and a great deal of this amount has already been appropriated. However, the total cost is $17 billion.

That is a lot of money. But I again tell you that it is going to cost a lot more money as time marches on.

Sometimes the press calls this a "pork barrel" bill, but down through 30 years we spent only about $300 million on our water resources and reclamation. We are now going to pay the penalty and how we are going to pay for this neglect, for many, many years to come.

I repeat, when you realize the Members of this body asked the committee to raise the budget or put in items that were not budgeted on over 300 projects—and you know that everybody knows his own district—then you know that he knows that there is something wrong in that district that should be corrected. That is why for years and years to come it is going to cost plenty of money. There is no escape from it.

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

Mr. KIRWAN. I yield.

Mr. GROSS. It is my understanding that the AEC appropriation is not yet authorized by law. Are there any other projects in this bill that are not authorized by law?

Mr. KIRWAN. I know of only one project, Flushing Bay and Creek in New York. This modification should be completed in time for the New York World's Fair so we included $1,500,000 to get the

work started. However, the money cannot be used until the project is authorized.

Mr. GROSS. Then you are making an appropriation here without authorization.

Mr. KIRWAN. I understand that, but we cannot postpone the fair. We have got to have some little leeway. Language in the bill prohibits the use of the money until it is authorized.

Mr. GROSS. Is that the only one?

Mr. KIRWAN. Yes, to my knowledge.

I repeat that down through the years we are going to pay and pay heavily. But every dime in this bill and every public works bill that will follow will be spent either in or on America. We cannot go forward without adequate waterway transportation, flood control, and reclamation.

To ship a ton of coal today from West Virginia to Norfolk, Va., costs $4.50. Do you think we can compete with the world at that rate? No wonder the miners in West Virginia, Pennsylvania, Kentucky, and all those places are idle. We need cheaper and better transportation, like the rest of the world. That is going to cost money. It is not going to be done for a couple of dollars. But we want to compete with the rest of the world and keep the people employed and not on a dole. It must be and is going to be done.

Every dime here that is spent on this country of ours will come back, because this is the greatest country in the world. Nobody can doubt that. All you have to do is look and see the streams and the mountains and the climate and the soil. Everything God ever put into a country he has done for America. But we have not done the best job in this country. We robbed and looted it for 300 years. It will take us a long time to catch up.

So I am in the well today to put the stamp of approval on a bill that came out of committee without any serious controversy. I believe it is one of the best bills to be presented to Congress.

Mr. JENSEN. Mr. Chairman, I yield such time as she may desire to the gentlewoman from New Jersey [Mrs. DWYER].

Mrs. DWYER. Mr. Chairman, I should like to take this opportunity to call special attention to the items in this bill which affect the vast New Jersey-New York port area, the greatest in the world, and to indicate my very strong support for these items.

As I indicated in my testimony before the Public Works Subcommittee, it is easy to overlook the importance of the individual parts of such a huge and complex whole as the metropolitan area of New York and New Jersey. Yet, these parts are vital to the health and prosperity of that whole, and none more so than maintenance of the waterways that have given the area its preeminent position in world trade. In terms of income and employment, it would be difficult to overstate the significance of its oceangoing commerce to the entire metropolitan region.

For that reason, I am delighted the committee has recommended approval of each of the items included in the budget, the studies covering flood control of the Elizabeth River, development of the Jersey Meadows, the Newark Bay-Passaic River-Hackensack River project, Jamaica Bay, and the New York State barge canal, and two major construction projects, a new south entrance channel to New York Harbor and continuation of the improvements on the waterway from the Great Lakes to the Hudson River.

Of the two unbudgeted requests submitted by the Port of New York Authority—and apparently not approved by the committee—I hope special attention will be given at the earliest possible time by the committee and the Corps of Engineers to the rehabilitation of Shooter's Island dike, which is located at the confluence of the Arthur Kill, Newark Bay and the Kill van Kull, one of the most heavily traveled ship channels in the entire port area. The dike is designed to protect the channels from silt and suspended materials. It is extremely dilapidated and maintenance has been deferred for many years.

Rehabilitation of the dike is particularly important, I believe, in connection with development of two of the most important areas in the Port of New York, Port Newark, and Port Elizabeth which, together, will account for a substantial portion of overall port business. Port Elizabeth was formally dedicated yesterday with the arrival of the first ship at the Port Authority piers, and this $150 million project will eventually provide employment for 9,500 people with an annual payroll of approximately $52 million.

I was especially pleased, Mr. Chairman, that the committee has recommended continuation and completion of the Corp of Engineers' study of the need of flood control of the Elizabeth River. As was the case last year when the study was initiated, funds for the project are included in the $150,000 special study of the Jersey Meadows. The committee and the Corps of Engineers have informed me that sufficient funds to complete the study—an estimated $30,000—are earmarked for the Elizabeth River, in this fiscal 1963 bill.

Earlier this summer, the Corps of Engineers completed its preliminary economic evaluation of the project and recommended that the survey be continued. Flood damage along the river, especially in Elizabeth, Hillside, and Union, has become increasingly serious over the years. I hope, therefore, that the Engineers' survey in the months ahead will show that flood control is both necessary and economically feasible, and that we can then proceed with the actual construction of flood control facilities.

Mr. JENSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Chairman, the public works appropriation bill, H.R. 12900, now under consideration by the House provides funds for numerous fine projects and programs. There are, however, a few items in the bill that are not justified under any conditions and particularly so, under present fiscal conditions.

Through the many years that I have been on the Public Works Subcommittee of the House Appropriations Committee, I have spent countless hours listening to the various Federal agencies' witnesses attempt to justify the budget requests for the various projects and programs. Later, Members of Congress, together with hundreds of witnesses from all over the country appeared before our subcommittee to give testimony in support of many of the projects, some of which were not included in the budget request of the agency involved. Oftimes some of the projects are not even authorized. Then, there are other groups of witnesses who appear in oppositon to specific projects or programs.

The bill before you while below the budget request by some $131,523,100 is nevertheless $672,851,920 in excess of the fiscal year 1962 appropriations for the agencies concerned. In view of the substantial budget deficit in excess of $6 billion for fiscal year 1962 and a probable greater budget deficit for fiscal year 1963, it is difficult to justify many of the programs, studies and projects provided in this bill. Many of the projects are of very questionable economic justification, others are of doubtful national benefit, and in some instances funds are provided for projects which non-Federal entities are willing and able to provide for.

Back in 1959 when Congress voted to permit the Tennessee Valley Authority to issue revenue bonds to finance its operation, many Members of Congress thought that meant the elimination of further appropriations for TVA. Such is not the case, however, as the appropriation in this bill is nearly 2½ times the appropriation provided in 1959 for TVA for fiscal year 1960.

The funds provided for TVA in this bill includes an item of $2,500,000 to begin construction on a tributary area development program. See page 899 of part 3 of hearings through page 906. This program is in large part a usurpation of the work done by the USDA Soil Conservation Service in other parts of the country. Some years back TVA spokesmen assured this committee that this sort of thing was to be turned over to the local and State interests for implementation. But like many other TVA promises it was honored in the breach only. There is no justifiable reason why this soil conservation work should be taken over by TVA with the taxpayers of the Nation footing a much larger part of the bill than would be true under the Soil Conservation Service program. It is high time that Congress reasserted its proper control over the actions of TVA.

I also want to call attention at this time to the testimony before our subcommittee by the Tennessee Valley Authority relative to a possible violation of the United States Code and the circumvention of the will of Congress regarding the area wherein TVA power can be distributed. See part 3 of the hearings, pages 936 through 942. It seems that meetings were held at TVA headquarters that were attended by groups outside the "fence" Congress had placed around the TVA power systems. In one such meeting it appears a newspaper reporter was present as a member of the

outside group and he published an account of the procedures outlined by TVA officials for getting the "TVA fence" moved. If his account was true—and there is every reason to believe it was—then the TVA officials involved appear to have acted in violation of the United States Code.

We who were opposed granting TVA authority to issue bonds and to operate without proper congressional control were not surprised at this TVA action in encouraging a breaching of the TVA power system "fence."

Another highly questionable program provided for in this bill is the funding of uneconomic and unwarranted interregional transmission line ties. These are all part and parcel of the plan put forth back in the early 1920's to create a Federal superpower system for the entire Nation. I am convinced that the majority of the people in the United States are opposed to this piecemeal promotion of socialism in this country. It can only end up in a Federal monopoly that is contrary to our system of free enterprise which has made this country so great. The end result would be a loss of the freedoms which thousands of our people have died to preserve.

An example of this is the tie-in with the Missouri River basin and the Southwestern Power Administration.

CRESTON-FAIRPORT TRANSMISSION LINE

The proposal of the Bureau of Reclamation to construct a transmission line from Creston, Iowa, to Fairport, Mo., to bring about the interconnection of the Missouri River basin with the South western Power Administration raises for Congress a basic and fundamental issue of power policy.

This is not the type of line that Congress provided for under section 5 of the Flood Control Act of 1944, which is the authorizing act for the Missouri River basin.

On July 27 the Comptroller General, in a letter of Representative JOHN R. PILLION, introduced the question of necessity of the line. Since, as the Comptroller General stated, this is a matter for determination by the Congress, it is well to examine the factors involved. The issue that is raised by this question goes ultimately to what type of power system this country is to have. Will it continue to be a mixed system, but one primarily reliant on the skills and talents of private industry to supply the bulk of the Nation's power? Or is it to become an all-Federal public power monopoly?

In the public works appropriations bill of 1963 the Bureau is requesting $500,000 to start construction of this project. Eventually it will cost $2.65 million. In the longer run it will cost the Nation much more in terms of weakening the free enterprise system, in contributing to the size of the Central Government, in increasing individual taxes.

Congress should know that in proposing this project, the Bureau is, first, going completely contrary to the intent and purpose of section 5 of the Flood Control Act of 1944; second, proposing a project that is unnecessary since there are other facilities available to achieve the same objective; and, third, proposing a step which is part of a long-range plan to blanket the Nation with a Federal transmission grid.

1. SECTION 5 OF THE FLOOD CONTROL ACT OF 1944

This section governs the construction of transmission lines by the Department of the Interior to market power from dams built by the Corps of Engineers. It states in part:

> Electric power and energy generated at reservoir projects under the control of the War Department and in the opinion of the Secretary of War not required in the operation of such projects shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power and energy. The Secretary of the Interior is authorized, from funds to be appropriated by Congress, to construct or acquire, by purchase or other agreement, only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies.

The meaning and purpose of this language is without question. It was originated in the Senate and proposed as an amendment to the Flood Control Act of 1944 which then had already passed the House. But the House subsequently concurred in this action. It came about for reasons which are remarkably similar to conditions existing today. Interior Secretary Harold Ickes at that time was seeking almost unlimited authority for his Department to build transmission lines. He sought this authority before both House and Senate. He was conclusively turned down by both.

But the Senate realized that this denial of authority to the Secretary still was not enough and that something positive had to be done to protect private industry in this country from rapacious government.

It drafted what eventually became section 5 of the act and the Senate Commerce Committee in explaining the action in its report on the bill said:

> The committee desires an amendment which provides a convenient and practical method of disposing of power at projects under the control of the War Department without setting up a public power trust which would be unduly competitive with established private power utilities. The committee, therefore, has inserted a proviso which authorizes the Secretary of the Interior to construct and acquire only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at such projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies.

Section 5, therefore, has a very clearly defined purpose. Congress in limiting the authority of the Secretary to build only necessary lines was to protect the country against a public power trust which would be unduly competitive with established private utilities. At the same time, however, Congress was also protecting the preference customer. By authorizing the construction of necessary transmission lines to bring power in wholesale quantities to public bodies and cooperatives, Congress made it clear that it wanted Federal power to be made available to preference customers where they needed it rather than to be sold at the dam only to those who were, so to speak, able to come and get it.

2. THE PROJECT IS UNNECESSARY

Section 5 states clearly that the Secretary of the Interior is authorized to build "only such transmission lines, as may be necessary." The Creston-Fairport line is not necessary. During our hearings in May 1962, before the House Appropriations Subcommittee, witnesses for electric companies in the area testified that facilities were available to achieve the same objective as the proposed Federal line.

As recently as August 1, 1962, the Iowa Power & Light Co., and the Kansas City Power & Light Co., wrote a joint letter to the Secretary of Interior offering the use of existing transmission facilities to the Interior to achieve the same purpose as the Creston-Fairport Federal line. A Federal Creston-Fairport line would be duplication of existing facilities, and unnecessary spending of $2.65 million of Federal funds.

3. THE LINE IS PART OF A LONG-RANGE PLAN TO BLANKET THE NATION WITH A FEDERAL GRID

The Department of the Interior announced the proposed Creston-Fairport line in April 1962. At that time, Assistant Interior Secretary Kenneth Holum said the proposed intertie is in keeping with President Kennedy's directive that the Department develop plans for the early interconnection of areas served by its marketing agencies with common-carrier transmission lines.

The Creston-Fairport line, therefore, is one phase of a continuing program to build Federal transmission lines throughout the country. The original announcement of the line also stated the recommendation covered "only the first phase of continuing studies on integrating Missouri River basin-Southwestern Power Administration transmission systems. Studies are going forward on the possibilities of an extra-high-voltage intertie between the two systems." In other words, the Creston-Fairport line is a step toward creation of the very "public power trust" which section 5 of the Flood Control Act of 1944 seeks to prevent.

The directive of the President cited in this instance is the directive that is being cited for every other proposed or contemplated Federal transmission intertie between Federal power systems. It is the directive under which the Bonneville Power Administration in the public works bill sought $500,000 for further studies of a Federal interconnection of the Bonneville system with California. And, in that connection, the Appropriations Committee reduced the amount to $300,000, told Bonneville that no actual ground survey is to be undertaken and further stated:

> It is apparent from testimony to date that more specific negotiations and planning between the Federal Government and private and public utilities in the area affected must be accomplished if the Congress is to

be assured that it is being presented with the most feasible and economical plan for the construction and use of intertie facilities.

The case of the Creston-Fairport line is no different. It is more significant, however, for this reason: It is being proposed under the authorizing act which contains the expression of congressional policy and intent—namely, section 5—but it is not in accord with the policy of Congress when it enacted that section.

The question before Congress is clear. This project is not in accord with the will of Congress. Congress hammered out the policy reflected in section 5 after careful deliberation in hearings and debate. It is a policy that is fair to both sides.

Congress said that only such transmission lines as were necessary should be constructed. Congress did that because it was opposed to setting up a public power trust. The Creston-Fairport line would contribute to setting up such a trust.

The Creston-Fairport line would be part of a Federal national power grid. It would join two large, separate Federal power systems and be a long step toward the creation of a huge public power trust spread across all or parts of 10 States and which because of tax exemption and other advantages would be unduly competitive with established private power utilities.

This is the issue before Congress. It is a decision which cannot be postponed to another day because every Federal power project, every inroad by the Government into a field of business, merely facilitates the next step and makes easier the ultimate displacement of free enterprise by Federal ownership.

During the hearings I brought out the need for increasing turning basins or anchorages for ships traveling the Philadelphia-to-the-sea stretch of the Delaware River. I am pleased that the bill provides funds to make a start on this much needed work. Numerous collisions and damages in the past attest to the need for such work. See pages 620 through 621 of part I of hearings.

Mr. Chairman, this bill in general, is a good bill. The report, No. 2223, accompanying it is very complete and explains the reasons for the actions taken by the subcommittee and I trust it will be accepted by this body.

Mr. CANNON. Mr. Chairman, I yield such time as he may require to the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. I thank the gentleman from Missouri [Mr. CANNON] very much for yielding a little time to me.

Mr. Chairman, first I wish to commend the gentleman from Missouri, the distinguished chairman of the committee, and the members of the committee for what I think is one of the finest bills that have been brought before the House in regard to appropriations for public works and kindred operations.

Mr. Chairman, I would like to make a brief statement with respect to the funds included in this bill for the Glen Canyon unit of the Colorado River storage project. The amount included for this unit is $44,924,000, less its share of the undistributed reduction based on anticipated delays. This amount includes $875,000 for the purchase of substitute energy for the firm energy deficiency which will arise at Hoover Dam during the filling of Glen Canyon Reservoir. This procedure is in accordance with the principles and criteria governing operation of the Colorado River during the Glen Canyon Reservoir filling period which were approved by the Secretary of the Interior on April 2, 1962. Since this is the first time that funds appropriated for the Upper Colorado River Basin fund have been earmarked for the purchase of replacement power, I want to make it absolutely clear that the principles and criteria approved by the Secretary also provide that the Upper Colorado River Basin fund be reimbursed from Hoover Dam power revenues, beginning with June 1, 1987, to the full extent that it will be depleted by virtue of such procedure, and to ask the chairman of the committee if this is his understanding regarding this matter.

Mr. CANNON. I may say to the gentleman from Colorado that this is our understanding and that under existing conditions and so long as the situation obtains, the schedule indicated by the gentleman will be followed.

Mr. ASPINALL. I thank the gentleman. I understand exactly why he says, "under existing conditions," because there is no certainty in constancy of any matter in today's world, if there ever was.

Mr. Chairman, supplementing my remarks, and under permission previously granted, I include the following statements:

[From the Federal Register, July 18, 1962]

GENERATION AND SALE OF POWER

On May 20, 1941, there was promulgated, in accordance with the act of July 19, 1940 (54 Stat. 774; 43 U.S.C. 618), General Regulations for Generation and Sale of Power in Accordance with the Boulder Canyon Project Adjustment Act. The purpose of additional regulation No. 1 is to provide for an adjustment, under certain conditions, of charges for electrical energy sold to the allottees. In accordance with Article 27 of the above cited regulations, on April 4, 1962, the power allottees affected were furnished copies of additional regulation No. 1 in order that they might present their views with respect to it. Having considered all comments received, additional regulation No. 1 is hereby adopted without change and is set forth below.

GENERAL REGULATIONS FOR GENERATION AND SALE OF POWER IN ACCORDANCE WITH THE BOULDER CANYON PROJECT ADJUSTMENT ACT

Additional Regulation No. 1

Commencing with June 1, 1937, charges for electrical energy in addition to such other components as may then be authorized or required under the then existing laws and regulations, and to the extent not inconsistent therewith, shall include a component to return to the United States funds adequate to reimburse the Upper Colorado River Basin fund for moneys expended from such fund on account of allowances for Hoover diminution during the filling period of the storage project reservoirs authorized by the act of April 11, 1956 (70 Stat. 105), in accordance with paragraph 5 of the General Principles to Govern, and Operating Criteria for, Glen Canyon Reservoir (Lake Powell) and Lake Mead during the Lake Powell filling period, approved April 2, 1962. Such component shall be sufficient, but not more than sufficient, to provide said reimbursement in equal annual installments over a period of years equal to the number of years over which costs on account of allowance were incurred by the said Upper Colorado River Basin fund.

STEWART L. UDALL,
Secretary of the Interior.

GENERAL PRINCIPLES TO GOVERN, AND OPERATING CRITERIA FOR, GLEN CANYON RESERVOIR (LAKE POWELL) AND LAKE MEAD DURING THE LAKE POWELL FILLING PERIOD

1. The following principles and criteria are based on the exercise, consistent with the Law of the River, of reasonable discretion by the Secretary of the Interior in the operation of the Federal projects involved. The case generally styled *Arizona* v. *California, et al., No. 9 Original,* is in litigation before the Supreme Court of the United States. Anything which is provided for herein is subject to change consistent with whatever rulings are made by the Supreme Court which might affect the principles and criteria herein set out. They may also be subject to change due to future acts of the Congress.

2. The principles and criteria set forth hereinafter are applicable during the Lake Powell filling period, which is defined as that time interval between the date Lake Powell is first capable of storing water (estimated to occur in the spring of 1963) and the date Lake Powell storage first attains elevation 3,700 (content 28.0 MAF total surface storage) and Lake Mead storage is simultaneously at or above elevation 1146 (content 17.0 MAF available surface storage), or May 31, 1987, whichever occurs first. If, in the judgment of the Secretary, the contents of Lake Powell and Lake Mead warrant such action, and after consultation with appropriate interests of the Upper Colorado River Basin and the Lower Colorado River Basin, the Secretary may declare that in not less than one year from and after the date of such declaration these principles and criteria are no longer applicable.

3. Sufficient water will be passed through or released from either or both Lake Mead and Lake Powell, as circumstances require under the provisions of principles 7 and 8 hereof, to satisfy downstream uses of water (other than for power) below Hoover Dam which uses include the following:

(a) Net river losses.

(b) Net reservoir losses.

(c) Regulatory wastes.

(d) The Mexican Treaty obligation limited to a scheduled 1.5 million acre-feet per year.

(e) The diversion requirements of mainstream projects in the United States.

4. All uses of water from the main stem of the Colorado River between Glen Canyon Dam and Lake Mead will be met by releases from or water passed through Lake Powell and/or by tributary inflow occurring below Glen Canyon Dam. Diversions of water directly out of Lake Mead will be met in a similar manner or, if application of the criteria of principles 7 and 8 hereof should so require, by water stored in Lake Mead.

5. The United States will make a fair allowance for any deficiency, computed by the method herein set forth, in firm energy generation at Hoover powerplant. For each operating year deficiency in firm energy shall be computed as the difference between firm energy which, assuming an overall efficiency of 83 percent, would have been generated and delivered at transmission voltage at Hoover powerplant in that year if water had not been impounded in the reservoirs of the Colorado River storage project storage units (Glen Canyon, Flaming Gorge, Navajo, and Curecanti), but excluding the effects of evaporation from the surface of such reservoirs, and the energy actually generated and delivered at transmission voltage at Hoover

powerplant during that year adjusted to reflect an overall efficiency of 83 percent. At the discretion of the Secretary, allowance will be accomplished by the United States delivering energy, either at Hoover powerplant or at points acceptable to both the Secretary and the affected Hoover power contractors, or monetarily in an amount equal to the incremental cost of generating substitute energy. To the extent the Upper Colorado River Basin fund is utilized the moneys expended therefrom in accomplishing the allowance, either through the delivery of purchased energy or by direct monetary payments, shall be reimbursed to said fund from the separate fund identified in section 5 of the act of December 21, 1928 (45 Stat. 1057), to the extent such reimbursement is consistent with the expenditures Congress may authorize from said separate fund pursuant to said act. The attached additional regulation No. 1 for generation and sale of power in accordance with the Boulder Canyon Project Adjustment Act, upon issuance, will be made a part of these principles and criteria.

6. In accomplishing the foregoing, Lake Powell will be operated in general accordance with the provisions of principles Nos. 7 and 8.

7. Storage capacity in Lake Powell to elevation 3,490 (6.5 million acre-feet surface storage) shall be obtained at the earliest practicable time in accordance with the following procedure:

"Until elevation 3,490 is first reached, any water stored in Lake Powell shall be available to maintain rated head on Hoover powerplant. When stored water in Lake Powell has reached elevation 3,490, it will not be subject to release or diminution below elevation 3,490. The obtaining of this storage level in Lake Powell will be in such manner as not to cause Lake Mead to be drawn down below elevation 1,123 (14.5 million acre-feet available surface storage), which corresponds to rated head on the Hoover powerplant. In the process of gaining storage to elevation 3,490, the release from Glen Canyon Dam shall not be less than 1 million acre-feet per year and 1,000 cubic feet per second, as long as inflow and storage will permit."

8. The operation of Lake Powell above elevation 3,490 and Lake Mead will be coordinated and integrated so as to produce the greatest practical amount of power and energy. In view of the provision for allowance set forth in principle 5 hereof, the quantity of water released through each powerplant will be determined by the Secretary in a manner appropriate to meet the filling criteria.

9. In general, it is not anticipated that secondary energy will be generated at Hoover during the filling period. However, any secondary energy, as defined in the Hoover contracts, which may be generated and delivered at transmission voltage at Hoover powerplant will be disposed of under the terms of such contracts.

10. In the annual application of the flood control regulations to the operation of Lake Mead, recognition shall be given to available capacity in upstream reservoirs.

STEWART L. UDALL,
Secretary of the Interior.

Mr. CANNON. Mr. Chairman, I yield such time as he may require to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I asked for this 1 minute's time from the distinguished chairman of the Appropriations Committee to get information about an item in 12900.

When I appeared before the committee in the hearings I requested that a small amount of money be appropriated, and I want to clarify that for the information of my colleagues.

I am not asking for free facilities on the Little Kanawha River. The Army Engineers want to survey three separate places in an effort to determine the feasibility of where they will build the one facility.

I also asked that $30,000 be included for a restudy of the Stonewall Jackson Reservoir on the West Fork of the Monongahela River in West Virginia. I would like to ask the chairman if these item are included in the bill.

Mr. CANNON. Mr. Chairman, the committee always accepts any suggestion from the gentleman from West Virginia with an open mind. That is true in this case. We have taken care of all these items that are authorized.

Mr. BAILEY. And the $65,000 item?

Mr. CANNON. Yes. Ample provision has been made to take care of it.

Mr. BAILEY. We thank the gentleman for his answer and also thank the committee for the fine job they did on this bill.

Mr. CANNON. Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

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

There was no objection.

Mr. EVINS. Mr. Chairman, the public works appropriation bill for 1963 is one of the most important of the appropriation bills annually considered by the Congress.

The bill provides for the continued development of our Nation's resources and for the overall growth and strengthening of the United States.

The bill includes funds for the civil works functions of the Corps of Engineers, the Bureau of Reclamation of the Department of Interior, the Atomic Energy Commission, the Tennessee Valley Authority, and the several public power agencies, including the Bonneville Power Administration, the Southeastern Power Administration, and the Southwestern Power Administration.

Our committee has done a monumental job in bringing this bill to the floor of the House and I want to take advantage of this opportunity to pay a tribute to the distinguished chairman of our committee, the gentleman from Missouri [Mr. CANNON], the great chairman of the Committee on Appropriations. The gentleman from Missouri, Chairman CANNON, has personally carried on these hearings and labored for several months hearing the testimony of the hundreds of witnesses, which resulted in the recommendations contained in this bill. His broad knowledge and his great experience, his vast wisdom and fairness and objectivity have as always proven invaluable.

I deem it a great privilege to serve on this committee with the gentleman from Missouri, Chairman CANNON, and also with the other members of our committee, including the gentleman from Ohio [Mr. KIRWAN], the gentleman from Rhode Island [Mr. FOGARTY], the gentleman from Massachusetts [Mr. BOLAND], the gentleman from Washington [Mr. MAGNUSON], the gentleman from Mississippi [Mr. WHITTEN], the gentleman from Iowa [Mr. JENSEN], the gentleman from New York [Mr. TABER], the gentleman from Minnesota [Mr. ANDERSEN], and the gentleman from New York [Mr. PILLION].

The two very capable and diligent members of our subcommittee staff, Carson Culp and Gene Wilhelm, also should be commended publicly for their valuable assistance throughout the hearings and in the handling of the details and the much work performed in getting this bill to the floor.

Appropriations carried in this bill total $4,613,879,000. This is $672,851,920 more than was appropriated for the fiscal year 1962—but $131,524,100 less than the budget recommendations.

The budget estimates included a proposal for 39 new construction starts for the Corps of Engineers and 2 new starts for the Bureau of Reclamation. Our committee has added 12 additional projects for the Corps of Engineers, making a total of 51 new construction starts. The bill provides also for 28 new planning starts by the Corps of Engineers, which will provide vast benefits for our Nation.

Funds are provided in this bill to bring 36 projects to completion which will have a total net value of $511 million.

The 51 new construction starts, provided for in this bill, when completed, will have an estimated total value of $715 million.

The total construction program of the Corps of Engineers for next year is some $15 million less than requested in the budget.

Certainly the appropriations provided in this bill represent a large sum of money but the funds also represent a capital investment in America—an investment which will strengthen our country and improve our Nation through the prevention of floods, through the reclamation of vast wastelands, through improved waterways, through increased use of our water resources, to generate electricity, the promotion of navigation, and through the development of atomic energy for peaceful purposes and for defense.

The primary purpose of this bill is to provide funds for great public works projects for our Nation. However, our country will receive benefits not only from the projects to be built, through the appropriations provided in this bill, but there is also a very valuable additional benefit—that of providing increased employment throughout the country. That is only a side effect but an important additional benefit and one that will mean much to our country at this time.

Every region and every section of the Nation will share in the projects included in this bill.

This is a bill with a truly national point of view—one which recognizes the needs of every area of our country and the different types of projects needed in the various regions of our country.

This is an all-American bill benefiting every region and every section of our country. It is truly national in scope. With the approval of this measure we will be building up the productive capacity of this Nation and strengthening our country.

CORPS OF ENGINEERS

For carrying out all the civil works activities of the Corps of Engineers, this bill provides total appropriations of $1,006,561,900.

The bill provides for 28 new planning starts and 51 new construction starts—which will provide vast benefits to our Nation. Funds are provided to bring 36 projects to completion which will have a total net value of $511 million. The 51 new construction starts provided for in this bill, when completed, will have an estimated total Federal cost of $706,700,000.

A total of $762,361,000 is included for the overall construction program of the Corps of Engineers. This is some $15 million less than requested in the budget.

A total of 246 authorized surveys are funded to provide an orderly program of public works.

The work and accomplishments of the Corps of Engineers represent some of our Nation's greatest developments and the funds carried in this bill will enable the Corps to move forward with these vital projects across the Nation.

BUREAU OF RECLAMATION

This bill provides total appropriations of $325,308,000 for the Bureau of Reclamation to carry on its reclamation programs during fiscal 1963. This is an increase of some $50 million over the appropriations for last year and a reduction of some $15 million from the budget requests.

These funds provide for two new construction starts by the Bureau of Reclamation during fiscal year 1963. Adequate funds are included to carry forward the important Colorado River storage project—that great new addition to the Nation's hydroelectric system which will serve a marketing area primarily in Arizona, New Mexico, Colorado, Utah, and Wyoming. The Flaming Gorge unit of the Colorado storage project is nearing completion and the first power is expected to be produced at this facility during this fiscal year.

The Glen Canyon project is also moving ahead and power production is planned on this unit to begin in 1964.

TENNESSEE VALLEY AUTHORITY

The bill carries total appropriations for the Tennessee Valley Authority of $35,071,000 which sum is some $3,132,000 less than the amount appropriated for the TVA for 1962.

Mr. Chairman, it should be pointed out that there is no appropriation of funds carried in this bill for the power program of the TVA. Instead, the TVA budget provides for payments to the Treasury of $50 million or more from power proceeds to apply as a return on appropriations earlier invested in the power program. Payments from the TVA into the Treasury to date total $438,133,337—a great return on the investment in the TVA. The TVA is well ahead of its schedule of repayments into the Treasury.

Appropriated funds go to carry on the other valuable programs of the TVA. These include flood control, the improvement of navigation, conservation, and reforestation programs, the fertilizer program and other conservation and development programs of the TVA.

The TVA is moving forward and is making valuable contributions in the overall resource development of the area—in line with the original purpose of the TVA Act.

The Tennessee Valley Authority, in order to meet the needs of the entire valley area, created the Office of Tributary Area Development in order to advance economic development of small tributary areas of the Tennessee Valley. The watersheds of these tributaries are very important to the development of the Tennessee Valley area.

Since the passage of the TVA Act, it has been recognized that the authority and responsibility of the TVA extend not only to the Tennessee River but to all the streams and tributaries in the TVA area. The TVA Act again and again states that the agency very definitely has a responsibility throughout the valley area in this field. Section XXII of the act states:

> To aid further the proper use, conservation, and development of the natural resources of the Tennessee River Drainage Basin and of such adjoining territories as may be related or materially affected by the development, consequent to this Act.

Sections 1 and 4(j) also provide authority for the watershed program.

Flood control cannot be made effective unless adequate steps are taken along the tributaries of our major streams. The work of the Office of Tributary Area Development is designed to further this objective.

The TVA has a responsibility of providing technical assistance in connection with the planning of the overall development of the valley area. The agency has given and is giving valuable assistance to local groups who have organized to cooperate with State and local governments, to prevent floods and promote the development of the area—along the tributaries of the Tennessee River.

The Beech River Watershed Development Authority is a local agency chartered by the State of Tennessee for the development of the Beech River watershed. This local agency will repay those costs of the development program which may not be allocated to flood control.

The Beech River development program is a typical TVA approach to tributary development. This plan, as do the other plans which TVA contemplates, depends upon acceptance by local authorities of local cost sharing and local assumption of the responsibility of management and of care of the system before the planning is initiated.

The total cost of the Beech River project will be $6 million, of which local interest will repay $2 million. In addition to the $2 million which will be returned to the Treasury, it is important to note that local interests have already contributed the equivalent of approximately $3 million in land treatment work of the type which would be required under the regular soil conservation, watershed improvement program. The cost benefit ratio of this project is 2 to 1. Two dollars will be returned into the Treasury for every dollar invested.

Mr. Chairman, we have made great strides in the Tennessee Valley since 1933. The major dams needed on the Tennessee River itself have been built and are now in operation. These dams result in the savings of millions of dollars each year through flood control alone. However, the job is not complete. We must not fail to provide for the adequate development of the tributaries of the Tennessee River.

There is much local interest in the program and there is adequate legal authority and precedent for its continuation. The tributary development work is an important and vital part of the future operations of the TVA.

There is no duplication of work in this area by the TVA and the Soil Conservation Service. In fact, a spirit of splendid cooperation exists.

The report of our committee calls for full cooperation between the TVA and the Soil Conservation Service—and I read from our report:

> Within the budget estimate which has been allowed there is an item of $2,500,000 for the tributary area development program in the Beech River area. The committee directs that local contribution arrangements be made as nearly comparable as practicable to the requirements placed on regular soil conservation service watershed treatment projects, particularly with respect to those contributions required in advance of Federal construction and other expenditures. It also directs that in the accomplishment of this program, nothing be done which would interfere with the regular soil conservation service program in the Tennessee Valley area. It expects full cooperation between the Soil Conservation Service and the TVA wherever their interests and abilities coincide in execution of the tributary area development projects.

U.S. DEPARTMENT OF AGRICULTURE,
SOIL CONSERVATION SERVICE,
Washington, D.C., August 15, 1962.

Hon. JOE L. EVINS,
House of Representatives.

DEAR MR. EVINS: This is in response to your question about related programs of the Soil Conservation Service and the Tennessee Valley Authority.

We are glad to report that good cooperation exists on soil conservation work in soil conservation districts. There was a time in the past when this presented a problem, but the favorable experiences of working relationships have essentially erased this problem.

No doubt your question arises from the fact that TVA is just now proposing to initiate a small watershed program. This interest is quite understandable in view of the widespread successes and contributions from watershed projects initiated under authority of the Watershed Protection and Flood Prevention Act (Public Law 566). The launching of such an endeavor by TVA does raise a question of what standards, procedures, economic criteria, and cost-sharing requirements they propose to use in comparison to such provisions under authority of Public Law 566. It would seem reasonable that standards would be as comparable as practicable.

The Soil Conservation Service stands ready to coordinate the nationwide watershed program with any program Congress may authorize for the TVA area. We have followed

the policy that any watershed community in any State can make application and receive assistance under authority of Public Law 566.

We appreciate your interest in these relationships and shall be glad to provide additional information at any time.

Sincerely yours,

GLADWIN YOUNG,
Acting Administrator.

ATOMIC ENERGY COMMISSION

Mr. Chairman, the major portion of this appropriation—indeed the largest funded amount in this bill—goes to the Atomic Energy Commission, whose important work is concerned with the development of atomic energy for peaceful purposes as well as for defense.

For the Atomic Energy Commission we are recommending an appropriation of $3,122,819,000. This is some $572,458,000 more than the appropriation for 1962 but a reduction of $98,114,000 from the 1963 budget request.

A breakdown of these figures show an appropriation of $2,860,974,000 for operating expenses and $261,845,000 for facilities and construction.

This is a reduction of $27,614,000 and $70,500,000 respectfully for these purposes—for AEC—a total reduction and cut of $98,114,000 from the budget recommendation for 1963.

The breakdown for operating expenses follows:

Program	Budget estimate	Allocation	Reduction
Raw materials	$500,585,000	$497,000,000	−$3,585,000
Special nuclear materials	537,300,000	534,000,000	−3,300,000
Weapons program	797,010,000	797,010,000	
Reactor development program	503,745,000	495,628,000	−8,117,000
Physical research program	216,000,000	206,000,000	−10,000,000
Biology and medicine	71,353,000	71,353,000	
Training education, and information	15,165,000	14,815,000	−350,000
Isotopes development	7,462,000	7,100,000	−362,000
Civilian application of nuclear explosives	10,050,000	9,650,000	−400,000
Community program	9,114,000	9,114,000	
Program direction and administration	64,111,000	62,611,000	−1,500,000
Security investigations	6,019,000	6,019,000	
Other costs	4,100,000	4,100,000	
Selected resources	173,274,000	173,274,000	
Revenues received from non-Federal sources	−26,700,000	−26,700,000	
Total	2,888,588,000	2,860,974,000	−27,614,000

A breakdown of the funds provided for facilities and construction follows:

Program	Budget estimate	Allocation	Reduction
Special nuclear materials	$85,605,000	$81,605,000	−$4,000,000
Weapons program	56,585,000	51,085,000	−5,500,000
Reactor development program	77,950,000	77,450,000	−500,000
Physical research	132,200,000	71,700,000	−60,500,000
Other items	7,505,000	7,505,000	
Less unobligated balance brought forward	−27,500,000	−27,500,000	
Total	332,345,000	261,845,000	−70,500,000

The work of the Atomic Energy Commission each year becomes increasingly more important as the AEC develops additional, practical uses of atomic energy. We have provided the full budgeted amount for the weapons program for the Atomic Energy Commission.

We have made some significant reductions in the reactor development program because the committee feels that this Commission is not proceeding as rapidly as desired in the development of electricity by atomic energy for commercial purposes.

With appropriations provided, this Commission will be able to move forward with its important nuclear programs as well as the other vital and complex programs of the Atomic Energy Commission.

OTHER POWER PROGRAMS

An appropriation of $42,513,000 is recommended for the Bonneville Power Administration. The sum of $8,660,000 is provided for the Southwestern Power Administration and the budget request of $800,000 is provided for the Southwestern Power Administration.

SUMMARY

In summary, Mr. Chairman, this bill provides some substantial reductions but the necessary appropriations for the operation of some of our Nation's most important agencies.

The Atomic Energy Commission serves as an agency of defense for our country and the Corps of Engineers—TVA, Bonneville and the Bureau of Reclamation—also promotes and strengthens our Nation.

This is a vital bill and, as recommended by the committee, is worthy of passage. I urge its passage.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. CANNON] has expired.

Mr. JENSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. NELSEN].

Mr. NELSEN. Mr. Chairman, I wish to commend the committee for the obviously fine job that has been done, and I want to particularly compliment my colleague, the gentleman from Iowa [Mr. JENSEN] for the fine work that the gentleman has done with reference to the soil conservation and water conservation programs over a period of many years. I know, Mr. Chairman, that our colleagues join with me in expressing appreciation to the gentleman from Iowa because this is a constructive, long-range program in the interest of our country and of our agriculture. I wish to thank the gentleman very much for the efforts which the gentleman has put forth in this program.

Mr. JENSEN. I thank the gentleman.

Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. CANNON].

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

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

Mr. BOLAND. Mr. Chairman, the public works appropriation bill now before the committee calls for the appropriation of $4,613,807,900. This figure represents a cut of $131,525,100 from the original estimates submitted to our Appropriation Subcommittee.

I have stated before, Mr. Chairman, this bill is designed to build America. The money that is spent on the programs and projects that are recommended in the proposal we are now considering will help to conserve our resources, protect property and save lives.

Mr. Chairman, since joining this important subcommittee 8 years ago, it has been my constant concern and interest to insure that the flood control programs of the Corps of Engineers and the Bureau of Reclamation be activated and pursued to rapid completion as quickly as possible. This committee and the Congress have joined in this desire and all over the United States, projects have been completed and are underway that seek to accomplish this end.

Mr. Chairman, I am happy that the flood control program for New England has moved ahead with speed and effectiveness. I take pride in the part that I have played to guarantee an adequate flood control protection for the New England area. Great and important strides have been made these past 8 years to give protection to the lives and property of the people of this locality from the terrible ravages of flooding and savage waters. Yes, indeed, we have come a long way since the U.S. Government made it a policy of national import in 1936 to assist the States and local communities in public works projects constructed to control the rivers, streams, and harbors.

GROUNDBREAKING FOR LITTLEVILLE RESERVOIR

Mr. Chairman, last Friday, August 10, 1962, I participated in the groundbreaking ceremonies for Littleville Dam and Reservoir located on the Middle Branch of the Westfield River—a tributary of the great Connecticut River Basin.

Mr. Chairman, I filed H.R. 94 back in the 85th Congress on January 3, 1957, to bring this project into existence. It was authorized in the 1958 Flood Control Act and money was soon appropriated to commence planning.

The Littleville Dam is unique in that it is the first flood control dam in New England that is designed for use in flood control and as a future supplement to the regional water supply.

The dam will be 1,360 feet long and 164 feet high. It will be of earth and rock fill construction with a chute spill-

way located in a rock cut on the left bank with a 400-foot curved concrete weir constructed adjacent to the left abutment of the dam. A 935-foot-long dike will also be constructed and will be connected with the east end of the dam by a bridge across the spillway channel. The access road to the dam will be built on top of the dike and entrance will be effected from Goss Hill Road.

There will be two distinctly different reservoir outlets built into the dam. One outlet will be a cut-and-cover conduit with a control tower on the upstream toe of the dam located near the streambed and will be used for diversion, downstream low-flow control and future water supply. The other outlet, for flood control, will be a tunnel and gate control shaft constructed high on the left bank to control flood water storage. It will discharge into the spillway channel. A combined utility building and garage will be constructed near the spillway and access road on the left bank. This building will include office, storage, workshops and garage facilities and a comfort station for public use. It is expected that three construction seasons will be needed to complete the entire project at an approximate cost of $7 million.

The Littleville Reservoir will be regulated in conjunction with the Knightville Reservoir to control floodflows on the Westfield River. In addition the reservoir will be operated in combination with other reservoirs in the Connecticut River Basin, for regulation of flows in the lower Connecticut River. The dam will be operated for flood control only until such time as the city of Springfield needs an additional water supply, possibly 15 years from now. During this period a permanent pool will be maintained to enhance public use and recreation at the level of the future water supply pool. The recreational uses of the reservoir, watershed, and tributaries shall be permitted until such time as Springfield begins to use the water for municipal water purposes at which time the State Department of Public Health may promulgate rules and regulations for the water supply. The Corps of Engineers will develop two areas for picnicking and boat launching facilities.

Floods will be controlled by utilizing the capacity of the reservoir above the level of the permanent pool and by operation of the flood control gates. There will be no change in the method of flood regulation when the water supply is utilized.

Mr. Chairman, I include with my remarks the program of the ceremonies at the Littleville ground breaking:

PROGRAM OF GROUND-BREAKING CEREMONIES AT LITTLEVILLE DAM AND RESERVOIR, MIDDLE BRANCH, WESTFIELD RIVER, HUNTINGTON AND CHESTER, MASS., AUGUST 10, 1962, 10 A.M.

National anthem: U.S. Army Band, Fort Devens; CWO Gerald M. Clapper, director.

Master of ceremonies: Alban J. Parker, chairman, Connecticut River Valley Flood Control Commission.

Invocation: Rev. Alva J. Rhines, pastor, First Congregational Church, Norwich Hill.

Welcome: Charles S. Daniels, chairman, Chester Board of Selectmen; and Hans Schott, chairman, Huntington Board of Selectmen.

(Introduction of guests.)

REMARKS

Laurence W. Shattuck, president, Connecticut River Watershed Council.

Richard D. Carmel, president, Westfield River Watershed Association.

Mayor John D. O'Connor, of Westfield.

Walter G. White, chairman, New Hampshire Water Resources Board, representing Gov. Wesley Powell.

Leonard J. Collamore, administrative aid to Mayor Charles V. Ryan, Jr., Springfield.

Richard Martin, general manager, Manchester, Conn., representing Gov. John Dempsey.

ADDRESS

Brig. Gen. Seymour A. Potter, Jr., Division Engineer, U.S. Army Engineer Division, New England Corps of Engineers.

ADDRESSES

Congressman SILVIO O. CONTE, of Massachusetts.

Congressman EDWARD P. BOLAND, of Massachusetts.

(Ground-breaking ceremony.)

Benediction: Rev. Joseph F. Gagan, pastor, St. Thomas Church, Huntington.

(Closing selection: U.S. Army Band.)

NEW ENGLAND FLOOD CONTROL PROJECTS

Mr. Chairman, since the 1955 floods in New England, the Corps of Engineers have placed in operation 18 flood control projects, have construction underway on 7 flood control projects and have preconstruction planning underway on 11 flood control projects of which the fiscal year 1963 budget includes funds for initiation of construction for 3 projects. There are three active authorized flood control projects on which preconstruction planning work has not been started.

These 39 projects have a total estimated Federal cost of $193,296,000 and $120,257,000 has been appropriated to date and $14,285,000 is included in the fiscal year 1963 budget now before the Congress.

Mr. Chairman, during consideration of this bill, testimony of the Corps of Engineers of the New England division indicated that there were capabilities for the use of appropriations greater than anticipated for a number of flood control projects in the New England area. I am happy to state that the committee has made these adjustments. Specifically, with reference to the Connecticut River Basin, it was pointed out that the Corps of Engineers could utilize $300,000 more than originally requested so that amount was increased from $1.9 million to $2.2 million.

Planning would be completed with the $50,000 asked for the local protection works in Three Rivers and the engineers indicated that they could move into the construction phase of this project in fiscal year 1963. I requested and the committee approved an additional $300,000 to commence construction in this fiscal year.

Mr. JENSEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Chairman, I wish to thank the Appropriations Committee for granting a request I made to committee members on June 5. I appreciate this consideration very much. I appreciate especially the cooperation given by the gentleman from Iowa [Mr. JENSEN].

My request was that prior non-Federal expenditures be considered in computing the 20-percent non-Federal participation required for public works under a policy established last year by the Appropriations Committee.

The 20th Congressional District of Illinois has for many years participated in projects designed to alleviate the continued threat of flooding. Work has been undertaken for over 90 years, some dating back as far as 1870. The great share of this early construction was undertaken on a non-Federal basis. In view of this, it was logical consideration of previous, non-Federal expenditures by drainage districts be given in the computation of the 20-percent requirement of non-Federal participation on public works projects.

In the 20th Congressional District, three drainage districts were affected by the 20-percent construction cost participation recommendation. Had my request not been granted, these districts which have patiently waited their turn for planning and construction would have been penalized.

These drainage districts originally constructed their own levees, drainage ditches, pumping plants, and other projects at their own expense. Subsequently, the levees have been improved with Federal assistance under various flood control acts.

The committee thus makes a proper distinction between these old, well-established districts and new projects. These drainage districts are old, existing, duly organized governmental units. They are supported by taxes against the lands within each district. They are self-contained agricultural areas of great import to our national economy. Further, it should be indicated, these districts have no source of revenue other than taxes placed upon the lands within each district.

All advantage does not accrue to the citizens living in these three districts. For example, the levees assist in the operation and maintenance of the 9-foot channel on the Mississippi River. Some of the lock and dam closures tie into existing levees.

The expenditures of non-Federal moneys since 1870 by the Sny Levee Drainage District, the Indian Grave Drainage District, and the South Quincy Drainage District totals $9,105,000. Federal participation in these same three projects has amounted to $15,760,000. These three districts have already matched Federal expenditures at a 60-percent rate. If the inflationary trend since the period 1870–1915 is taken into consideration, there is no doubt but that the non-Federal contributions would be far in excess of this proportion.

To itemize further and to clarify the significance of these figures I would like to provide a more detailed breakdown in the three districts mentioned.

[In thousands of dollars]

District	Federal costs	Non-Federal costs
Sny Island District:		
Main stem levee	8,900	212
Construction since 1870	None	2,375
Operation and maintenance to date	None	2,885
Total	8,900	5,472
Indian Grave District:		
Main stem levee	5,700	106
Construction since 1880	None	1,482
Operation and maintenance to date	None	1,027
Total	5,700	2,615
South Quincy District:		
Main stem levee	1,160	29
Construction since 1913	None	275
Operation and maintenance to date	None	464
New pumping plant to be constructed in conjunction with levee improvement project	--------	250
Total	1,160	1,018
Total all 3 districts	15,760	9,105

All of these projects have been considered under the same interim report on the "Mississippi River-Guttenberg, Iowa, to Hamburg Bay, Ill."

Mr. JENSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, I would like to direct one question to the chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON] if I may.

I have received a number of letters from conservation groups in my district asking what the plans of Congress might be as to the construction of the protective dam to protect the Rainbow Bridge in connection with the Upper Colorado River project. I would like to ask what plans the committee might have for the allocation of funds for the construction of that protective dam which I understand was authorized in the Upper Colorado River project.

Mr. CANNON. Mr. Chairman, in response to the inquiry of the distinguished gentleman from California [Mr. BALDWIN], I regret to say that this item was not budgeted and that we have turned it down for the third and I trust the last time.

Mr. JENSEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee [Mr. EVINS].

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

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

Mr. LOSER. Mr. Chairman, I want to associate myself with my colleague, the gentleman from Tennessee [Mr. EVINS], in the beautiful tribute that he has paid to the distinguished chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON], and to his associates on that committee.

Mr. Chairman, I would like to call the committee's attention to the fact that down in Tennessee in the congressional district which it is my privilege to represent, my predecessor, the late and lamented Percy Priest, was quite anxious while he was serving in the House of Representatives to have a project started down there in Davidson County. But over the years it has found to be unjustified because the benefit-cost ratio was not satisfactory. However, during the last year the Corps of Engineers found the project justified, and through the help of my good friend, the gentleman from Tennessee [Mr. EVINS], a member of the committee, and his associates, we now have this project approved and this appropriation bill carries in it $1 million with which to begin construction, as well as $404,000 with which to finish the planning.

So, Mr. Chairman, I am happy to have had this project approved by this committee, and I want to express my deep appreciation to the members of that committee and especially to my colleague, the gentleman from Tennessee, [Mr. EVINS], for the splendid help they have given me.

Mr. JENSEN. Mr. Chairman, I yield the balance of the time on this side to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, I note with a great deal of interest, and I congratulate the committee on its deliberations with regard to this appropriation bill—involves about $4.6 billion, and would like to comment at this time on a subject matter related to this appropriation bill and public works matters in general. I am deeply disturbed, I say to my colleagues in the House, over the fact that our Public Works Committee on which I have the privilege of serving, the authorizing committee, is not this year even considering an omnibus authorization bill, particularly in view of the fact that there have been presented to our committee by the proper agency of the Federal Government, the Corps of Army Engineers and others, projects that are feasible and sound, not pork barrel, boondoggle projects, amounting to some $4 billion, not counting the $1 billion of additional basin authorization, meaning $5 billion which is, incidentally, almost as much authorization as presently remains in all public works, civil functions authorizations on the shelf, and is in excess of that amount of on-the-shelf authorizations if you take into consideration the $6 billon presently on the shelf and not appropriated for, which includes the $3 billion that have been declared either inactive or deferred.

Mr. Chairman, I say to my colleagues that I think it is completely inexcusable that our authorizing committee should not consider in this session of Congress an omnibus rivers and harbors authorization bill. There has been one in every session since I have been here. And I say this particularly in view of the fact that the administration has made such a to-do about the need for increased public works authorizations on the blank-check, pork-barrel basis, as proposed in the $900 million accelerated public works proposal.

Here in considering an omnibus public works authorization bill is a way for the Congress of the United States by properly accepting its responsibility to provide for sound, feasible, needed rivers and harbors, flood-control projects throughout the United States of America on a long-range planning basis, which is being completely ignored in this session of Congress. The acceleration bill calls for long-range planning, and Congress is ignoring the necessary authorizations in these fields that must be accomplished before any long-range financing can be accomplished.

And let me say this, I am more disturbed over the fact—and I was informed of this a couple of weeks or so ago—that we were threatened that our Public Works Committee was not going to act on the authorization bill until and unless the $900 million political pork barrel, boondoggle was brought to the floor of the House for action. That is a pretty poor way to legislate, holding a heavy club over the heads of the Members of this, the highest legislative body in all the world, holding such a heavy club of nonauthorizations, if you do not give the Executive this unlimited authority in this area. I say it is wrong and I hope that our committee will reconsider, particularly in view of the fact that we have supposedly such pockets of unemployment throughout this country that could be affected by public works but only if first authorized by Congress in the area of public works in rivers, harbors, and flood control matters.

Mr. ICHORD of Missouri. Mr. Chairman, I want to take this opportunity to thank the distinguished gentleman from Missouri [Mr. CANNON], chairman of our great Appropriations Committee, and the members of the Committee on Appropriations, for their consideration of a very worthwhile study project on the Gasconade River in central Missouri. There is included in H.R. 12900 an appropriation of $15,000 to the Department of the Army, Corps of Engineers, special studies, to initiate a restudy of the Gasconade River Basin in Missouri.

The 1938 Flood Control Act authorized construction of two dams, one near Arlington and one near Richland, both on the Gasconade River, primarily for flood control in the Missouri River Basin. Subsequent to the time of authorization, there have been many important changes and improvements in the area, and new relocation problems now exist. Among the developments is the growth of Fort Leonard Wood near the proposed dams. Due to all these changes the project has been placed in an inactive category pending a restudy to be based on current conditions. This restudy was authorized by resolution of the House Public Works Committee, dated June 12, 1956, but to this date no funds for the restudy have been appropriated.

Although the primary purpose of the Arlington and Richland Dams is for downstream flood control, they would also provide important local benefits. A conservation pool for the use of Fort Leonard Wood is a new benefit that would receive consideration in the restudy, as would the feasibility of developing hydroelectric power.

The population of Pulaski County in which Fort Leonard Wood is located has doubled twice within the last 10 years, and the recreational value of the proposed reservoirs would be very great to these people, many of whom are service personnel and their families.

The development would also be an important factor in stimulating the long-term growth of a primarily rural area in which farm income has been low. The counties which would be most directly affected by the development are Phelps, Laclede, and Pulaski. The recent census of agriculture shows that the average farmer in these three counties sold farm products with a total value of about $3,210, only a little more than half the State average of $5,997. If the proposed dams should prove feasible and their construction should take place, it would be a tremendously important thing to these farmers and to other people in the area in giving them added employment opportunities and a chance to raise their standard of living.

I sincerely hope that the restudy initiated by this appropriation will result in the eventual construction of the dams.

Mr. ST. GERMAIN. Mr. Chairman, the measure we are now considering, H.R. 12900, the public works appropriation bill of 1963, is of vital importance to my State of Rhode Island, as I know it is to all those areas which are scheduled to undertake or continue projects under the provisions of the legislation.

Included in this appropriation bill is the sum of $4 million for the Fox Point hurricane barrier in Providence.

My State has been seriously affected by the loss of human life and property which has resulted from the devastating hurricanes which have hit Rhode Island in recent years. The completion of the Fox Point project would go a long way toward alleviating the misery and hardship which any future such storms would cause.

Also allocated in this bill is the sum of $300,000 for the lower Woonsocket flood control project which is located in my home city of Woonsocket, R.I.

In 1955 the social district of Woonsocket was inundated by a tragic flood which caused severe personal and financial suffering on the part of a great number of people. In an appearance before the Subcommittee on Public Works of the House Appropriations Committee on June 13 of last year, I strongly urged that the appropriation for the preconstruction planning phase of the project be increased from $130,000 to $300,000. We were successful in having the amount raised to $270,000, and now, additional funds of $300,000 have been set aside for the construction phase. The approval of these funds would make possible the continuation of this project which would provide protection and peace of mind for thousands of people.

Rhode Island would also benefit in this measure from the allocation of $6,000 for completion of the navigation study of the Providence River Channel and $810,000 for the Point Judith Harbor breakwater, another project of great importance in the program of guarding against the hazards of hurricane destruction.

Mr. Chairman, I shall vote for H.R. 12900, because of the needed benefits it will give Rhode Island and other deserving areas of this Nation. I urge my colleagues to do likewise.

Mr. EDMONDSON. Mr. Chairman, no bill considered by this Congress is more vital to the long-range, internal growth and progress of America than the measure, H.R. 12900.

Within its terms and provisions will be found the insurance of our Nation's future water supply, the instrument for the continued development of our waterborne commerce, and the guarantee of security from flood damage for millions of Americans.

Oklahoma was benefited greatly from the generous and statesmanlike consideration which this great committee and the Congress have extended to our severe flood problems and to the wise provisions recommended by the Army Engineers and the Bureau of Reclamation to meet those problems.

We now look forward with high hopes and deep appreciation to that glorious day—now only a few years away—when our State will know once again the splendid opportunities and benefits of water transportation, along the Nation's greatest unused waterway today, the Arkansas River.

I strongly support H.R. 12900 and urge its overwhelming approval.

Mr. ASHBROOK. Mr. Chairman, the people of the 17th Ohio District are vitally interested in the matter of adequate flood protection, having been the victims of the devastating flood destruction which occurred in January 1959. I would venture to say that our district and particularly the Mount Vernon area is very disturbed that we have not been able to get the program off of dead center due to the fact that the Public Works Committee has not yet conducted hearings on the flood control projects and other public works measures throughout the country. I will not say that politics has necessarily been involved but the entire authorization bill seems to have been left in the wings waiting while new actors are brought out on the stage. In this instance, the new act involved takes the form of the so-called Public Works Acceleration and Coordination Act which would give the President authority to dispense public works projects throughout the country where he wants them and when he wants them. I feel this is an irresponsible approach and we in Congress should not grant this requested authority. It is far better to legislate in the responsible manner in which we have committee hearings by the Public Works Committee and regular appropriations by the Appropriations Committee which will assure that projects are handled according to their merit and not their political appeal.

I mentioned the Mount Vernon area before, and I did so because the Kokosing project in Knox County of my district is the only one of our several projects which has reached the stage where it can be authorized by this Congress. The other projects are still under study by the Corps of Engineers. We are at the point where a 2-year delay is possible unless this Congress votes an authorization bill. It is impossible to amend this bill before us today since the project has not received prior congressional authorization and the amendment would be subject to a point of order. There has been, in fact, no opportunity to advance the Kokosing project in this session of Congress despite every effort.

On Wednesday, May 9, 1962, I appeared before the Appropriations Subcommittee with a group of Knox County citizens to present the need for expeditious action on the Kokosing project. We did so to highlight the need for an immediate start in this vital flood control endeavor. The committee respectfully heard us but was not able to grant our request because the project is as yet unauthorized. I think the hearings present a good thumbnail brief for our argument and I want to bring them to the attention of the Members of this House. Under unanimous consent, I include the hearings at this point in the RECORD:

FLOOD CONTROL, KOKOSING RIVER BASIN, OHIO

(Witnesses: Hon. John M. Ashbrook, a Representative in Congress from the State of Ohio; Howard Hollinger, president, Mount Vernon Area Chamber of Commerce; Mark Kinney, president, city council, Mount Vernon, Ohio; Richard L. Moffitt, city engineer, Mount Vernon, Ohio; Lynn Thuma, Knox County, Ohio; Norman Bland, chairman, Finance Committee, Mount Vernon City Council.)

Mr. CANNON. We are glad to have you with us, Congressman ASHBROOK.

Mr. ASHBROOK. With your permission, Mr. Chairman, I will file my statement.

Mr. CANNON. It will be included in the record.

(The statement follows):

"STATEMENT OF HON. JOHN M. ASHBROOK, OF OHIO

"Mr. Chairman and members of this committee, I appreciate your kind consideration in affording me the opportunity to speak in behalf of the citizens of Knox County, Ohio, and the 17th District, who are vitally interested with flood control in the Kokosing River Basin. My appearance, today, is for the purpose of requesting funds for the preconstruction planning of two projects in this river basin. These two projects that the Corps of Engineers report recommends have not yet been authorized by the Congress and, consequently, no funds have been appropriated for advance engineering and design or for construction. It is anticipated they will be authorized this year pursuant to the report transmitted by the Secretary of the Army on August 9, 1961. Our particular problem is that the need is great, as I will demonstrate, but it has been impossible to get the project authorized by Congress since no authorization bill has yet been passed. We earnestly are concerned about a possible 2-year delay.

"Considering the overall capability of the Corps of Engineers for the fiscal year 1963, an amount of $75,000 could be used to initiate preconstruction planning of the North Branch Kokosing River Reservoir and an amount of $110,000 could be used to initiate and complete preconstruction planning and construction of the snagging and clearing project on the Kokosing River at Mount Vernon, Ohio. This is based on a report by Maj. Gen. William F. Cassidy in a letter to me on March 7, 1961.

"I limit my remarks to the status of the study of the Kokosing River Basin, but as a matter of information there are at the present time four authorized studies in various stages of completion in my seven-county district. Each of these projects cover flood control and allied purposes, including water supply, pollution abatement and recreation for the following watersheds; Kokosing River, Licking River, Clear Fork, and Rocky Fork, and the Scioto River.

"At the outset, let me remind this committee that the district I am privileged to represent was one of the hardest hit in the January 1959 flood which caused such havoc in many areas of our Nation. The people of this area appreciate the considerate treatment they have already received by this committee in expeditiously appropriating funds for these worthy projects which are so ably administered by the Corps of Engineers. However, without appearing ungrateful, or unappreciative of these fine efforts, I must frankly state that the proposals in the Kokosing project are of the greatest necessity in affording proper flood protection for the citizens in the Kokosing River Basin and for their property.

"Your committee has already received a great amount of testimony regarding the extent of flood damage to this area. The passage of over 3 years, of course, tends to dim the memory of this event and the hardships it imposed on so many of our citizens. The Kokosing and its tributaries in Mount Vernon, Fredericktown, and surrounding rural areas during the January 1959 flood inflicted damages totaling $5,300,000. The destruction occurred, primarily, to individual private properties and business establishments. This river basin has a serious history of extensive flooding dating as far back as 1932 with the more destructive ones occurring in 1913 and 1959. The January 1959 flood had a water runoff, above Mount Vernon, amounting to 5.2 inches which resulted in the highest cresting in history for the Kokosing River Basin. The record demonstrates that flooding is not restricted to any season, but that floods may occur in any month of the year. This recorded history of flood frequency and damages clearly illustrate the urgent need for immediate flood preventive measures.

"The city of Mount Vernon and the village of Fredericktown are the major municipal areas in the river basin where the potential flood hazard is of extreme concern. Rural areas above and below Mount Vernon are also subject to flooding and would substantially benefit from the improvements.

"Following the record 1959 flood the Corps of Engineers conducted a detailed damage survey based on a house-to-house canvass of the flooded areas. All tangible flood damages were placed on a monetary value. Physical damages included direct damages to buildings or parts thereof, and loss or damage to contents. Emergency costs, such as flood fighting, evacuation of families, and emergency restoration of damaged flood protection facilities were estimated conservatively because of the difficulty in estimating the thousands of man-hours donated by the residents of the area. This evidence more than substantiates the above-mentioned damage estimates and realistically illustrates the necessity for funding this program.

"The Corps of Engineers has indicated the necessity of commencing this project as soon as possible, indirectly, by demonstrating the fact that June 1959 Federal costs of the North Branch Reservoir were estimated at $2,334,000 and by July 1961 these costs had increased by their estimate to $2,520,000. A substantial cost savings to the taxpayers will be afforded by expeditiously commencing work on this project.

"The intangible damages, those that could not be given any monetary value, are very real and must be recognized. The principal intangible damage that merits discussion is the high probability of loss of life that exists at Mount Vernon in the event of the present levee overtopping at night. There are approximately 650 homes that are located in the flood plains of the Kokosing River behind the existing levee. First floor elevations of these homes vary from 2 to as much as 8 feet below the top of the protective levee. On January 21, 1959, the levee was overtopped early in the afternoon. Actual evacuation of most of the area was not started until after the levee failed, and even at this time was carried out under hazardous conditions. Had the overtopping and subsequent failure fo the levee occurred late at night it is highly probable that loss of life by drowning or exposure would have reached disastrous proportions, and also, very probable that movable property evacuation would have proceeded at a much slower rate, thereby increasing the losses.

"At this point I would like to elaborate on a quote taken from the report submitted by the Board of Engineers for Rivers and Harbors:

" 'An accurate forecast of the future trend of development for the Kokosing River Basin is extremely difficult to develop. For this reason a conservative approach to this phase of damage and benefit evaluation has been adopted.'

"Even though the Corps of Engineers issued a relatively conservative analysis report, the strategic location of the city of Mount Vernon and the rate of future growth predicted for the Kokosing River Basin and the inevitable extensive expansion in the use of lands in the flood plains, in my opinion, more than vindicate the approval of this project. In fact, the projected future growth of this area in the next 50 years is 100 percent.

"As has been earlier stated, the Kokosing River Basin has an extensive history of flood problems which naturally has been long recognized by the local residents as evidenced by the efforts put forth, locally, on projects to curb flooding. Following the 1898 flood the people of Mount Vernon constructed a levee system that provided partial protection. This levee was destroyed by the 1913 flood and subsequently was rebuilt. The levee was again overtopped and partially destroyed by the 1959 flood.

"Soon after the 1959 flood, local interest at Fredericktown, Mount Vernon, and affected rural areas throughout the basin again demonstrated their intense interest by working with the Corps of Engineers, U.S. Soil Conservation Service, Ohio Department of Natural Resources, and the Muskingum Watershed Conservancy District in designing and promoting concrete actions for attacking the flood menace. As a result of these fine efforts and extensive studies by the Corps of Engineers two separate and distinct plans were selected and recommended to make up the project plan for the Kokosing River Basin. This combination of projects, the North Branch Reservoir and the snagging and clearing of the Kokosing at Mount Vernon, will have widespread benefits throughout the most densely populated reaches of the basin. The two plans will, respectively, provide virtually complete protection at Fredericktown and would prevent overtopping of the existing levee at Mount Vernon on the basis of the record January 1959 flood and will virtually eliminate damages from all floods having an estimated frequency of recurrence in the order of 100 years.

"In addition, the construction of the proposed North Branch project will greatly enhance the net flood control in the Mohawk Reservoir which is a key link in the 14 reservoir Muskingum River Reservoir system.

"Both the North Branch Reservoir and the snagging and clearing project at Mount Vernon show a favorable justification. Based on an incremental analysis, the two projects together have a favorable overall benefit-cost ratio of 1.3 to 1. Even though the snagging and clearing project at Mount Vernon has a higher benefit-cost ratio than the North Branch Reservoir, it is not recommended that the Mount Vernon project precede the North Branch Reservoir since it would create a false sense of security among the citizens of Mount Vernon.

"The U.S. Fish and Wildlife Service reports that the proposed projects would have no significant effect on the fish and wildlife resources in the Kokosing River Basin.

"The U.S. Public Health Service investigated the need for water supply and pollution abatement and reported that there will be no need for such storage in the foreseeable future.

"In conclusion, I would like to say that I concur with the Corps of Engineers recommendations that the comprehensive plan for flood control and other purposes in the Ohio River Basin be modified to include the North Reservoir on the North Branch of the Kokosing River at the estimated cost of $2,520,000 and that the clearing and snagging project on the Kokosing River at Mount Vernon be adopted at the estimated cost of $104,000. I sincerely urge that this committee approve this request so that the future of the citizens of the Kokosing River Basin can be secure from floods that have plagued them with damages amounting to millions of dollars over a short period of years."

Mr. CANNON. Mr. Hollinger.

STATEMENT OF MR. HOWARD HOLLINGER

Mr. HOLLINGER. Thank you very much.

Mr. Chairman and members of the committee, I am Howard Hollinger, president of the Mount Vernon Area Chamber of Commerce. I would like to point out to the committee the economic loss that was suffered in just one area, which was that of damage to our local industry. For example, the Continental Can Co. of Mount Vernon suffered three-quarters of a million dollars in damage and the Cooper-Bessemer Corp., $370,000. These figures only represent the tangible losses and do not include the many intangibles. A great amount of community effort is directed to retaining our present industry as well as acquiring new industry. Removal of the flood threat for our existing industry would be of great service in stabilizing and perhaps increasing the employment force in our county.

In behalf of the Kokosing Watershed Committee, I would like permission to file this prepared statement which gives more details about the whole problem.

Thank you very kindly.

Mr. CANNON. It will be included in the record.

(The prepared statement referred to follows:)

"STATEMENT OF THE KOKOSING WATERSHED COMMITTEE OF MOUNT VERNON, KNOX COUNTY, OHIO

"Mr. Chairman and members of the Committee, the following statement is presented as evidence of the public need for continuation of the Kokosing River watershed program through preplanning of the last and largest part of the program which would consist of a headwaters dam north of Mount Vernon and snagging and clearing of the river channel in the Mount Vernon area, an area which has experienced 13 costly floods in a 39-year period.

"The flood of January 1959 was the greatest flood on the Kokosing River since 1881. Estimated damage to the watershed was $5,350,450 in tangible losses of which $4,854,300 occurred at Mount Vernon. Intangible losses would be very difficult to calculate but were heavy.

"In consideration of the work which has been performed on this project by the U.S. Army Corps of Engineers, and work done by city and county to fulfill local responsibilities, and with the pressing thought in mind of the ever possible reoccurrence of another flood, the Kokosing Watershed Committee respectfully requests and petitions your committee to approve the request for $200,000 appropriation with which to proceed with preplanning for the last and largest part of the program.

"The Kokosing River watershed

"The Kokosing River is in the Muskingum watershed district, an area which has led the country for years in flood control. Being at the northwest end of the district, Mount Vernon and Knox County have not received the extensive control methods such as used in the Dillon Dam at Zanesville, Ohio. The Kokosing watershed area is 482 square miles; population of 37,346. The topography of the area is flat to hilly and much of the land is used for agriculture. Mount Vernon is the county seat of the area and is industrialized. Population of Mount Vernon is 13,238 with a metropolitan area of 16,000.

"Floods in 39 years of record

"There is a great need for protection from floods in the Kokosing River watershed and evidence of this is provided by records kept at the gaging station on the Kokosing River at Millwood, about 19 miles downstream from Mount Vernon. Millwood is used, rather than Mount Vernon, because the record is much longer than the station at Mount Vernon can supply. The 15-foot flood stage was exceeded 13 times in 39 years of record. Occurrence of floods was erratic. Mount Vernon is in an area where floods can occur any time of the year. Some occurred on the average of three per decade—only one was experienced in some decades, whereas five occurred during the period 1932–41 and also during the period 1940–49. This erratic occurrence is of much concern to those who have suffered in the terrible flood of 1959. The flood of 1959 produced a peak flow of 38,000 cubic feet per second at Mount Vernon with a gage reading of 18.19 feet while the 1913 flood is estimated at 27,000 cubic feet per second with a gage reading of 17.3 feet.

"Damage caused by the flood

"Mount Vernon suffered the worst flood in its history when the levee along the Kokosing River gave way after being overtopped, and water quickly reached a depth of as much as 8 to 10 feet in parts of a large residential and business area. Nearly one-third of the city was flooded. The Continental Can Co. was reported to have suffered very heavy damage along with other local industries. A mass evacuation of over 1,000 homes was required. The fact that the flood occurred during the daytime hours, with 2 hours' notice given the public by radio and firetrucks, was the only factor that saved heavy losses of life and additional damage to cars, furniture, and so forth. Power and water failures added to the disaster. The approaches to the highway bridge on State Route 3 at the west edge of town were washed out. Only one road into the city was passable, and the flooded area was closed to all unauthorized personnel. National Guard units were sent in to assist the local officials in maintaining order. The floodwaters at Dry Run in the south end of the city also contributed to the flood problems of Mount Vernon.

"At Fredericktown severe flooding of streets and basements was reported in the north section of town. Heavy damage was incurred to rural roads and bridges in the vicinity. The percentage of roads washed out was high. The bridge over the Kokosing on State Route 95 was damaged. Approaches to a bridge east of Cardington were washed away. Many suburban and rural homes were isolated and suffered damage. Farm fences and farmlands were severely damaged.

"It was difficult to bring together all reports of damages following the flood. Many groups worked together to bring the city and area back to normal and varying reports were received on funds spent and work done. It is known that—

"(a) In addition to homes and contents damaged by the actual floodwaters, many were affected by backing up of sewers and similar problems; 3,500 persons were evacuated from their homes. Extremely low temperatures of around zero added to the problem.

"(b) Industrial damages were high to three major industries and affected all in the city. Much material damage was suffered and, in addition, many man-hours were lost, employees' wages, production time, and other intangibles.

"(c) The city of Mount Vernon was placed in a severe financial situation as a result of the flood. City government had an estimated $75,000 in unplanned expenses over and above funds received in Federal disaster assistance. Much of this cost had to be absorbed, and, as a result, ordinary obligations of the city were cut down to minimum service.

"(d) Electric service was off in the community as a result of the substation being under water. The water supply of the city could not be maintained due to inundation of the city waterworks plant.

"Present protection from flood

"Existing levees do not protect the city and area from another severe flood even though steps have been taken by local officials to strengthen the levees. There is nothing to prevent the same tragic loss as occurred in 1959 and prior years until we have secured the complete plan for flood protection as proposed by the U.S. Army Corps of Engineers.

"Therefore, we respectfully urge your committe's favorable attention and action to the request as outlined by Congressman JOHN A. ASHBROOK and urge that the requested funds of $200,000 be made available for preplanning of the final stages of the Kokosing watershed project.

"The threat of another great flood is still with the citizens, the business houses, the industries, of Mount Vernon and Knox County and only continuing action on the part of local persons and of those, such as yourself, and your committee can bring about peace of mind and protection of property to the many people in our area. Your favorable action will be sincerely appreciated by those people.

"Respectfully submitted.

"KOKOSING WATERSHED COMMITTEE,
"JAMES DALLY, *Secretary*.

"Members of Kokosing Watershed Committee, Mount Vernon-Knox County, Ohio; Morris Fisher, Route No. 1, Bellville, Ohio; Howard Hollinger, Chamber of Commerce, Mount Vernon, Ohio; Wayne Burkhart, Box 268, Mount Vernon, Ohio; Raymond Pophas, Route No. 1, Fredericktown, Ohio; George McConnell, Post Office Building, Mount Vernon, Ohio; Claude James, Route No. 3, Mount Gilead, Ohio; Ed Miller, 1104 West Gambier, Mount Vernon, Ohio; Mark Kinney, West Chestnut Street, Mount Vernon, Ohio; Mayor Harry Bennington, City Hall, Mount Vernon, Ohio; Lynn Thuma, Fredericktown, Ohio; Monroe Boutan, Route No. 2, Mount Vernon, Ohio; James Dally, Chamber of Commerce, Mount Vernon, Ohio; L. L. Rinehart, Route No. 3, Mount Gilead, Ohio; John Phillips, Route No. 2, Fredericktown, Ohio; Carroll Lloyd, Route No. 1, Marengo, Ohio; Richard Moffit, city engineer, Mount Vernon, Ohio; Norman Bland, 605 Newark Road, Mount Vernon, Ohio; Eugene Grant, Fredericktown, Ohio; Ken Bebout, chairman, County Commissioners, County Court House, Mount Vernon, Ohio; Arthur Gregg, Route No. 1, Bellville, Ohio."

STATEMENT OF MR. MARK KINNEY

Mr. ASHBROOK. At this time I would like to present Mr. Mark Kinney, president of the City Council of Mount Vernon, Ohio, to give you a short summation on the statistics as to how the flood affected the community.

Mr. KINNEY. Mr. Chairman and members of the committee, I am Mark Kinney, president of the City Council of Mount Vernon, Ohio.

The flood of 1959 caused nearly $5.5 million in tangible property damages in Knox County's Kokosing watershed area. Nearly $5 million of this loss was suffered by Greater Mount Vernon. Industrial property losses alone were $2,547,000, and losses in residential property were $1,083,000.

Approximately 3,500 people were driven from their homes by the flood, some barely escaping with their lives. And the whole productive life of the community was disrupted. The hardships of the flood are vivid in the memories of the people of Mount Vernon, and with every heavy rain they keep a wary eye on the river. Industry, too, keeps the flood factor in mind as they consider plant location and expansion.

Speaking for the people of Mount Vernon, I can say that your favorable action on the proposed Kokosing flood control project will be greatly appreciated.

Mr. HOLLINGER. Mr. Richard Moffitt, our city engineer of Mount Vernon.

Mr. MOFFITT. Mr. Chairman and members of the committee, I am Richard L. Moffitt, city engineer of Mount Vernon, Ohio.

Having been city engineer for the past 15 years, I know from personal experience that it is impossible to completely protect the city of Mount Vernon from future flooding with walls and levees alone, and that retention of the headwaters plus a certain amount of channel clearing and maintenance of our existing levees is the only solution to our flood problems.

Due to the complexity of the project, and since the benefit ratio as determined by the U.S. Army Engineers is favorable, we believe we are justified in requesting assistance from the Federal Government.

If the 1959 flood had occurred at night instead of 1:30 p.m., I am of the opinion that at least 200 people would have lost their lives in the Mount Vernon area.

Mr. HOLLINGER. Mr. Lynn Thuma.

STATEMENT OF MR. LYNN THUMA

Mr. THUMA. Mr. Chairman and members of the committee, I am Lynn Thuma, Knox County resident. I am making the following statement as evidence of the need of the program outlined by the Army Engineers of Huntington, W. Va. Living in one of the flooded areas, I have worked on this program since the flood of 1948, one that was near the crest of the flood of 1959.

The people in the Fredericktown area, 7 miles north of Mount Vernon, have no dikes to help protect them nor have the areas between or below Mount Vernon.

Although there have been no threats of flood, the river has flooded parts of these areas four times this year.

The river channel is crooked and full of swail, making it impossible for high water to have a free flow. The areas above and below Mount Vernon are very rich and productive farmlands, which will flood and endanger homes and crops with only 2 inches of rainfall.

It would be impossible to give the damage to farmland and homes in these areas—it was estimated $150,000 in fences alone by Wayne Burkhart, county agricultural agent.

I made a picture survey of a 2-mile area in which I live, which would be similar to approximately 40 miles of the Kokosing River, showing the condition of the channel. I presented this survey to Col. Steven Malevich, and was told that, although he could do nothing about the channel, the proposed dry dam north of Fredericktown would help to remedy this situation.

Your favorable consideration of this request would be greatly appreciated by the Kokosing Watershed Committee and the citizens of Knox County.

STATEMENT OF MR. NORMAN BLAND

Mr. BLAND. Mr. Chairman and members of the committee, my name is Norman Bland, chairman, finance committee, Mount Vernon City Council.

The city of Mount Vernon was placed in a severe financial situation as a result of the 1959 flood. City government had an estimated $75,000 in unplanned expenses, over and above funds received in Federal disaster assistance. Much of this cost had to be absorbed, and as a result, ordinary obligations of the city were cut down to minimum service.

We are still in a difficult financial situation.

Electric service was off in the community as a result of the substation being under water.

The water supply of the city could not be maintained due to inundation of the city waterworks plant. This created a health hazard which could have been serious.

Existing levees do not protect the city and area from another severe flood even though steps have been taken by local officials to strengthen the levees. There is nothing to prevent the same tragic loss as occurred in 1959 and prior years until we have secured the complete plan for flood protection as proposed by the U.S. Army Corps of Engineers.

Therefore, I respectfully urge your committee's favorable attention and action to the request as outlined by Congressman J. M. ASHBROOK and urge that the requested funds of $200,000 be made available for preplanning of the final stages of the Kokosing watershed project.

Your favorable action will be sincerely appreciated by the citizens of Knox County, Ohio.

Thank you, Mr. Chairman.

Mr. ASHBROOK. That concludes our statement.

Mr. CANNON. Thank you, Congressman ASHBROOK; we are glad to have this information.

Mr. JONES of Alabama. Mr. Chairman, I am pleased to support the items in this appropriation bill for TVA's watershed development project for the Beech River project.

This program is an intensification and unification of TVA's valleywide resource development activities through a concentrated effort by TVA with the local people and State agencies in subareas of the Tennessee Valley. The purpose of this program is to accelerate sound economic progress based on comprehensive unified development of all resources. The program includes research, demonstration, and development activities.

It is an arrangement under which more local people and State agencies can participate more effectively in developing and using the resources of the valley and thus make a greater contribution to strengthening the regional and national economy.

TVA is currently working in seven organized tributary areas and is helping people in three other areas get organized so they may develop programs for their areas.

Initially in all of these areas local people and State agencies have come to TVA with requests for help in solving specific resource problems. They have established organizations tailored to the needs of their area and especially designed to permit effective local and State participation in broad programs of comprehensive unified resource development as a basis for solving problems and accelerating economic growth.

Two of the seven areas have been established as State watershed authorities. Five are incorporated as watershed development associations under State laws. In these 7 areas there are 45 active resource work groups involving between 280 and 300 local people.

Five of the seven organized areas have individual membership-type associations which include approximately 3,500 members. In each of the organized areas and in one of those in the process of organization technical people from State agencies are actively participating.

In each of the above tributary areas the first step has been a joint cooperative inventory of all the resources of the area in order to determine just where the area is and its potential as well as to identify problems and opportunities.

The resource groups which are used in this initial examination include the following: human resources, land, water, agriculture, forests, minerals, recreation, business and industry, transportation and communications facilities, and public and private institutions and services.

Next the findings of the inventories are analyzed and evaluated. This provides the basis for identifying problems and opportunities and giving them quantitative and qualitative dimensions. This analysis is used as a basis for determining objectives and goals on which a cooperative resource development program can be developed, specific plans made, and the program implemented.

From the first step—inventory—local people participate through their resource work groups. These work groups are provided with technical guidance and assistance by TVA and State agencies. Participation of local people in the inventory and analysis stage gives them the background they need for participation in subsequent steps implementing specific programs for the development of their areas.

Mr. MACK. Mr. Chairman, I am supporting this bill because it is in the best long-range economic interest of the Nation.

The taxpayers never lose any money on the kind of projects that are in this bill. Such projects create wealth.

In a very real sense this bill gives us an opportunity to invest in the future of America. Our investment in the development of natural resources in all parts of our country will come back to the Government as tax revenues on the wealth created by these projects.

Anyone who has had the experience of sponsoring a public works project cannot help but have respect for the painstaking scrutiny each project receives, first from the Army Corps of Engineers, then from the Bureau of the Budget, and finally from the Public Works and Appropriations Committees of the House and Senate.

It is sometimes a frustrating experience for the sponsor and the local interests involved, but the step-by-step procedure that must be followed before a single spade of earth is turned is a guarantee that the taxpayers' dollars will be spent wisely and not wasted on worthless projects.

I, therefore, congratulate the chairman of the Committee on Appropriations, and his colleagues, especially those on the Public Works Sunbcommittee, for their hard work on this bill.

I am particularly pleased that the committee has seen fit to include in this bill the funds recommended in President Kennedy's budget for continuing the flood control program in the upper Mississipppi Valley.

The present inadequate levees in that region were subject to severe stress last spring. Experienced observers reported that the area was spared a serious flood only because no rain of any consequence fell during a 60-day period while a record-breaking snow cover in the upper Mississippi watershed was melting.

This bill will permit the orderly development of the Sny Basin interior drainage project in western Illinois, for which $3,800,000 is alloted for construction, and the Sny Island levee on the Mississippi River, for which $100,000 is provided for continuing the advance planning.

This bill also provides $27,000 to complete the advance planning of the South Quincy drainage district project and $50,000 to begin planning the Indian Grave drainage district project.

The amount of $900,000 is provided in this bill for construction of levees and pumping plants in the vicinity of Beardstown, Ill. The Sid Simpson flood control project, a 3,300-foot floodwall named after our late colleague, has been completed. The work remaining to be done will complete the protection system for an area which has suffered severe damage in the past from flood waters of the Illinois River.

Finally, I take great personal pride in the Shelbyville Dam and Reservoir project on the Kaskaskia River in Illinois. The $326,000 recommended in the budget and included in this bill will enable the Army Engineers to begin construction of this vital project during the present fiscal year.

Mr. Chairman, all these projects will be of tremendous benefit to our State of Illinois, and to the Nation, and I have no hesitancy in urging my colleagues to support these appropriations.

Mr. MONAGAN. Mr. Chairman, I support H.R. 12900, the public works appropriation bill for 1963, in its entirety, but particularly because it provides generously in funds for the continuing development of the flood control complex of Connecticut's Naugatuck Valley.

The House, and my colleagues, have responded effectively to the pleas for adequate flood control bulwarks in my district, since we were visited with disastrous floods in 1955. We have made commendable progress. Two major dams have been completed, and we have finished the construction of several lesser projects. The combination of these with the projects provided for in this budget, and those on the Army Engineers' planning boards will, I am confident, provide a full measure of protection to the people and the industries and properties of my district.

Mr. Chairman, I wish to compliment and thank Chairman CANNON and the members of his committee for the

splendid manner in which they have presented this bill, and particularly for their courtesies to me and to the Fifth Congressional District of Connecticut.

We have not only made fine progress in the development of our flood control program, we have also recovered fully from the effects of the 1955 disaster that cost us heavily in human lives and property damage. For this we can be thankful to the cooperative spirit of the people of the areas affected, to the Army Engineers, to the Congress, to the Executive, to the Governors, and to the General Assembly of the State of Connecticut.

The public works appropriation bill for 1963 includes approximately $3,376,000 for flood control projects in my district. These funds will make possible the construction of four additional dams, in Winsted, Torrington, Plymouth, and Northfield, and provide for planning of another in the Middlebury-Waterbury area.

One further point I wish to make is that in the development of our flood control complex in Connecticut, we are also creating, through Federal-State coordination, new areas for recreation, including fishing, swimming, and boating where practical. The Congress has enacted the enabling legislation for this side development which will further enhance Connecticut's vacation and scenic splendors simultaneously with the development of these protective bulwarks against a repetition of the floods we experienced in 1955.

For these many reasons, and especially in the interest of safeguarding lives and property, I wholeheartedly support the adoption of H.R. 12900.

Mr. ELLIOTT. Mr. Chairman, I support H.R. 12900, a bill making appropriations for public works, including the Tennessee Valley Authority for the fiscal year ending June 30, 1963. This bill is important to the whole country. The civil works of the Corps of Army Engineers comes under this bill. Our Engineers have always handled their civil works in an economical manner. Their work has been well planned. Indeed, some of the finest construction in the United States has been done by the U.S. Army Engineers.

The civilian work done by the Corps of Engineers has a great auxiliary value in training our engineers for the proper defense of our country. The fine work done by them in building bridges, harbors, roads, airfields, and other installations in wartime has underscored the value of the training they get from building civil works in times of peace.

The State of Alabama, which I am privileged to represent, has many items in this bill. They include money for construction of the Columbia lock and dam in the amount of $2,254,000; they include construction funds for the Holt lock and dam in the amount of $3,500,000; they include construction funds for the Millers Ferry lock and dam of $1,000,000; they include construction funds for improvement of the Paint Rock River in the amount of $350,000; they include construction funds for the Walter F. George—Fort Gaines—lock and dam of $8,138,000.

Likewise, this bill contains important planning funds for the Claiborne lock and dam in the amount of $210,000; for the Jones Bluff lock and dam in the amount of $150,000; and for the Tennessee River and tributaries in the amount of $106,000. These funds total $15,602,000 and they will greatly benefit the well-being and the economy of Alabama. I am happy that they are included in the bill, And, while I am on this subject, I want to take this opportunity to thank the chairman of the committee, the gentleman from Missouri [Mr. CANNON] and other members of the committee for the sympathetic consideration that they have given Alabama projects in this bill. Our needs in Alabama for river and harbor development are very great and this helpful consideration of our problem is gratefully acknowledged.

TRIBUTARY AREA DEVELOPMENT PROGRAM

Mr. Chairman, the tributary area development program of the Tennessee Valley Authority, and the Beech River development plan, in Tennessee, which is a part of it, are not new programs in the Tennessee Valley. Since TVA was first created, in 1933, the people living in the region served by it have been working with TVA in a comprehensive program to improve their natural resources—agriculture and forestry, navigation, recreation, flood control. Building upon this basis, the TVA area itself has been able to develop jobs, and the incomes that go with jobs, rapidly enough to pull closer to the Nation's rising economic standards, instead of continuing to fall behind, as today do so many areas of the southern part of our country.

THE BEGINNINGS

As long ago as TVA's 1936 report to Congress, the Board of Directors discussed the fact that later development of tributary streams to the Tennessee River would show some different benefits and considerations from the basic Federal development of the Tennessee River itself. Early reports also pointed out that resource development programs carried out across the whole region would eventually have to be concentrated and especially organized in some instances to meet particular needs in specific areas. As early as the 1940's, TVA had begun research projects to answer some of the technical problems involved in meeting these needs. It also was starting some experimental local development efforts in small areas to find the most practical means of combining the necessary local leadership and initiative with the technical skills of agencies like TVA. These pioneering efforts served as proving grounds for working out area development administrative methods that could be really effective in practice, not just in theory.

The result was the present tributary area development program in the Tennessee Valley, which is under attack here today. There are many tributary valleys to the Tennessee River in the seven States through which it flows. Today, nearly a dozen of these tributary valleys are working with their own people, and with TVA and with such State and county agencies as are available, to make their areas better places in which to live. In each of these tributary valleys people are applying the basic principle of what might be called unified resource development to and on particular situations.

They are examining all of the resources their area has to build upon, and carefully deciding what development activities will make the most effective program for that particular area.

These people in these tributary areas have heard TVA stress again and again that the success of these efforts is in their hands, and that the program for tributary area development cannot be considered simply in terms of Federal projects. Water control plans, such as the Beech River, will be a part of these area development programs only where this careful study of all local economic opportunities shows that water control is a necessary and valuable part of the overall development effort.

That is exactly what happened in the case of the Beech River area. An examination of the area's opportunities for growth and progress showed a water control system to be a basic and promising step in area development, if a sound way could be worked out to match Federal and local costs—sharing of the respective Federal and local benefits that would result. The present proposal for Beech River, in Tennessee, is believed to fill that need, offering financing arrangements which local interests can afford to accept, but in a way which would result in local interests paying their share of the costs incurred. Local benefits will be recovered to help repay the project costs, rather than these local benefits coming as windfalls to particular landowners.

In my talk, I have mentioned Beech River in Tennessee because it is the tributary area now furthest along in its development. What I want to emphasize, however, is that the same principles, if found practicable and feasible at Beech River, and I think they will be, will be applied, in time, to similar developments on other tributaries of the Tennessee River, if detailed studies by people living in these areas indicate that similar developments to those at Beech River are economically feasible, and if studies indicate that they are vital to area progress.

BEAR CREEK

I represent an area of many small streams. A few of them, one in particular—Bear Creek—is a principal tributary of the Tennessee River. I have been privileged to see in the past few years the people of Bear Creek meeting regularly and working to inventory such resources as they have. I have seen them elect their own officials who have given good leadership. I have seen them divide themselves into committees and have seen the laborious and detailed way in which they went about examining the various phases of their own possibilities. It is to help groups like the Bear Creek group, and efforts like they are putting forth in tributary areas that this item in this appropriation bill is designed to aid. Most of the money in the appropriation bill goes this year to Beech

River. If Beech River is successful, and I am sure it will be, then other tributary areas can profit by the Beech River experience. All I am saying is that here we have a program to develop local areas of America that happen to be located in watersheds tributary to the Tennessee River.

In this program local costs will be recovered after the improvements have been made. It appears to be a very practical approach to resource development at the local level.

I am glad this bill contains an item for construction on Beech River and for planning on other tributary streams.

Mr. SELDEN. Mr. Chairman, I take this occasion to commend the Appropriations Committee for funds approved in the bill presently before the House of Representatives for projects located in the State of Alabama. At the same time, I want to call to the attention of the members of the committee and the House of Representatives an anticipated project which I believe has considerable merit.

WARRIOR-TOMBIGBEE

Included in the bill is the sum of $3,500,000 for the Holt lock and dam. This structure was started in fiscal 1962 with an appropriation of $750,000. I am advised that the full amount of $3,500,000 contained in the bill is necessary to maintain an orderly construction schedule, and I urge its approval.

The Holt lock and dam, located approximately 9 miles upstream from Tuscaloosa, Ala., will eliminate four small navigation structures built in 1915 or earlier. It is the last new dam required in the modernization program presently underway on the Warrior-Tombigbee.

There is the necessity, however, of initiating construction of a new lock at the present John Hollis Bankhead Dam, which is located approximately 18 miles upstream from the Holt structure.

The Bankhead Dam itself is not to be replaced. Although it was built in 1915, the concrete structure, to which 12-foot vertical lift gates were added in 1937, will serve usefully for many more years. Navigation, however, must pass the dam by means of two locks which are but 285.5 feet long and 52 feet wide. The Jackson, Demopolis, and Warrior locks and dams, located between Tuscaloosa and Mobile, already have eliminated nine similar sized locks while the Holt lock and dam will replace four more.

I believe it essential that studies be started at once to determine the feasibility and justification of replacing the two small Bankhead locks, which provide a total maximum lift of 72 feet, with a single-lift, 600- by 110-foot chamber, the same dimensions as at the new facilities downstream.

The inclusion in this legislation of $75,000 for this purpose under operation and maintenance funds will enable the Corps of Engineers to make a survey looking toward early replacement of the present obsolete locks.

COOSA-ALABAMA

Also contained in the bill now before the House are funds that will make it possible for Federal construction to begin on one of the largest undeveloped waterways in the United States—the Coosa-Alabama.

For work on the Alabama River, the lower segment of the great Coosa-Alabama system, the bill contains $1 million to begin construction of the Millers Ferry Multiple Purpose Dam, $210,000 to complete advanced planning of the Claiborne Navigation Dam, and $150,000 to resume planning of the Jones Bluff Multiple Purpose Dam.

Investigations by the Corps of Engineers indicate that the three authorized facilities to be built by the Government on the Alabama River are economically justified. It has been recommended by the Corps of Engineers that the Millers Ferry lock and dam be built first, and construction on this priority facility can be begun this year if funds are approved.

The funds for the Claiborne facility will make possible the completion of advance planning of this structure that the Corps of Engineers has recommended be completed concurrently with Millers Ferry. The Jones Bluff Dam is scheduled for construction when these two are completed, and will take about 4 years to build.

The overall plan of development for the important Coosa-Alabama River system provides for the installation of locks at the dams built by the Alabama Power Co. on the Coosa River as soon as navigation is assured to Montgomery and Wetumpka.

The Carters Flood and Power Dam, for which the bill includes $2,500,000 for continued construction, is located in northwest Georgia on the Coosawatee River which joins the Etowah River near Rome, Ga., and forms the Coosa. This facility will hold back flood waters in the downstream areas, as well as generate power needed for the rapidly expanding industrial section of northwest Georgia.

The potential uses of the Coosa-Alabama are not only important to the areas in Alabama and Georgia that will benefit economically but also to the entire United States, as the Coosa-Alabama will provide a major source of water transportation, reservoirs, and hydroelectric power for national defense. Its proper and early development, recognized in this legislation by the Corps of Engineers and the Appropriations Committee, cannot be overemphasized.

CHATTAHOOCHEE RIVER

Included also in the bill before the committee is the sum of $2,254,000 for the construction of the Columbia lock and dam and $8,138,000 for the completion of the Walter F. George lock and dam. These installations are an integral part of the Apalachicola, Chattahoochee, and Flint Rivers comprehensive plan to provide a 9-foot depth for navigation on the Chattahoochie River to Columbus, Ga., and on the Flint River to Bainbridge, Ga. The three structures required to provide 9-foot depth to Columbus, Ga., are the Jim Woodruff lock and dam, the Columbia lock and dam, and the Walter F. George lock and dam. The Jim Woodruff Dam is completed and in operation, the Walter F. George lock and dam is expected to go into operation in December of this year, and the lock at the Columbia lock and dam is scheduled to be opened shortly after the first of the year.

TENNESSEE-TOMBIGBEE

The outstanding progress made in recent years on the Warrior-Tombigbee, the Coosa-Alabama, and the Chattahoochee systems in Alabama indicate that these vital waterways will be functioning in the not too distant future at their full capability for the benefit of the State and the Nation.

Still pending, however, is an extremely important waterway development directly affecting not only the State of Alabama, but also the States of Mississippi and Tennessee. This is the linking of the Tennessee River with the Gulf of Mexico in order to provide an alternate inland water route from the Gulf of Mexico to the Great Lakes.

The U.S. Corps of Engineers recently completed an exhaustive investigation and recommended that the proposed Tennessee-Tombigbee project be constructed to serve as the alternate route. The engineers' report endorses changing the classification of the project from a "deferred for study" status to "active."

This project, which was envisaged 150 years ago and authorized by Congress in 1946, is designed to connect by a canal the Tennessee River with the Tombigbee River which flows into the Gulf. According to the Engineers, the canal will accommodate the size tows now being operated on the Ohio, Tennessee, and upper Mississippi Rivers.

The proposed waterway will provide a slack water channel 9-feet deep with a minimum width of 170 feet, stretching 253 miles from Demopolis to the Pickwick Pool on the Tennessee River.

The Tombigbee is navigable now from the port of Mobile to Demopolis, Ala., situated at the Tombigbee's juncture with the Warrior River.

In its report, the Corps of Engineers concludes that construction of the Tennessee-Tombigbee Waterway "in accordance with the plans proposed herein is feasible from an engineering standpoint and that the economic benefits to be derived therefrom are of widespread nature and of sufficient magnitude to warrant the undertaking of the project."

The benefits accruing from the connection of the Tennessee with the Gulf of Mexico are of primary importance to the States of Alabama, Tennessee, and Mississippi, as well as to the midcontinent region. The project can also be expected to benefit a large segment of the national population through the lowering of production and marketing costs afforded by cheaper transportation along the water route.

Despite the fact there were no budgeted planning funds for the proposed Tennessee-Tombigbee Waterway, the Alabama, Mississippi, and Tennessee delegations, as well as other interested parties from these States, urged the Appropriations Committees to include such funds in the bill presently under consideration. While we were disappointed that the House Appropriations

Committee did not grant our request in this instance, we note with satisfaction in the following paragraph contained in the committee's report that the project was deferred without prejudice:

Tennessee - Tombigbee Waterway. — This project was not budgeted and the report on the restudy of it was received by the committee after it had concluded hearings with the Corps of Engineers. However, on the basis of testimony offered by nongovernmental witnesses, the committee very carefully considered funding for the project in fiscal year 1963. It was decided to defer without prejudice action on this $281,025,000 project until there has been an opportunity to go into all of the details concerning its justification with the Corps of Engineers.

I am calling this important project to the attention of the Members of the House of Representatives, as I believe a careful study by the Appropriations Committee of the details concerning this project's justification will warrant its favorable consideration in the not too distant future.

Mr. JUDD. Mr. Chairman, this appropriation bill contains an appropriation of $4 million which will at last bring true a wonderful dream for the people of my city. It is the 16th annual appropriation, and the final one, for the two dams and locks at St. Anthony Falls, the head of navigation on the Mississippi River, in the center of the city of Minneapolis.

The city grew up around St. Anthony Falls because its waterpower made possible erection there of great flour mills and powerplants. But the Mississippi descends into a deep gorge which has prevented development of adequate docks and storage installations. Minneapolis has been like a city with a railroad coming to its borders but with no terminal.

Above the falls the river is wide and deep for about three miles with low flat banks, ideal for industrial and harbor developments. There are extensive railroad yards on both sides. Thirty years or so ago, when the 9-foot channel of the Mississippi was being planned, persons in Minneapolis saw the possibility and had the dream of constructing great locks to lift barges through the falls and building above it what some engineers said will be one of the finest internal harbors in the world.

Despite endless discouragements and delays, it is now approaching completion. With today's appropriation, the whole project should be ready to go into operation in July 1963.

Americans have given generously to build larger and more expensive projects in various parts of the world, but none, I dare say, will be more appreciated and few will bring more long-range benefits than this Upper Harbor in Minneapolis.

After authorization first in 1937, the project was delayed for years by litigation to prevent use of public funds by the city of Minneapolis to do the necessary alteration of two privately owned railroad bridges.

While this was being resolved by the city's making a direct contribution to the Government for it to use for this purpose, World War II arrived.

One of the first projects on which I began work when I came to Congress in 1943 was to get the Upper Harbor reauthorized in 1945, and I have worked at it every year since.

In 1947, Senator Joseph Ball and Congressman George MacKinnon of the Third Minnesota district and I persuaded the 80th Congress to make the first appropriation.

Dredging began in 1948 and, despite greater difficulties than anticipated in getting firm foundations for the dams and despite opposition from various groups that sincerely thought it was not economically justifiable or would provide too great competition for existing means of transportation, vision and faith and persistence have brought it to fruition.

The original cost estimate in the 1937 study was about $8 million, plus the city's contributions. In 1945 the estimate had grown to $17 million. Increased costs of materials and labor in postwar years, plus the foundation difficulties referred to above, ran the estimate for the Federal cost up to $31.9 million as late as a year ago. I am happy to report that the Army Engineers now believe the final cost will be $1.6 million less because of lower bids than expected, mostly by Minneapolis firms. It is gratifying to be able to make the unusual and newsworthy report of money saved.

With today's appropriation, which is $430,000 less than requested, the total contribution by the Federal Government from the beginning will amount to $29,870,000 and that by the city of Minneapolis to $3,370,000, consisting of $1.1 million direct contribution to the project and $2,270,000 spent to alter highway bridges and publicly owned utilities and to provide free of cost all lands, easements, rights of way, and suitable disposal areas.

At the outset, some said the river traffic to Minneapolis would never exceed 1 million tons a year. But it has already reached 4 million tons annually even with the present very limited terminal facilities. We can be sure traffic will grow beyond our fondest hopes, bringing up mostly coal and fuel oils and taking down mostly grain and its products, such as linseed oil. It should lead to an increase of traffic for railroads and other transportation, too, as they bring products from the vast hinterland to the harbor and take other commodities back.

Mr. Chairman, a Congressman suffers some frustrations, but there are also great satisfactions. When he is able to help convert a great resource that nature gave us into a magnificent development to benefit a great city and a greater area and their people for decades to come, it is very rewarding. Not the least of the satisfactions is the knowledge that the taxpayers who paid the bill will get full value received.

TRIBUTE TO BEN JENSEN

Mr. SCHWENGEL. Now, Mr. Chairman, there has been a lot of kind words spoken here today, about both people and projects.

I cannot remember a year in my eight sessions here when there has been less acrimony on this bill than this year. Perhaps we are becoming more polite, but I like to think we have become more wise. We realize that these great projects are capital improvements, but there is a certified benefit to be reaped from each of them, in varying degree.

I sit on the public works legislative committee, and I know that we listen carefully to these requests for authorizations. They have to make just as good case for us as they do later when they come before the Public Works Appropriations Subcommittee. We do not wave a doubtful project through, hoping that it will get stuck in the money committee for lack of merit.

Therefore, at this point, I would like to commend my earnest colleague from Iowa, BEN JENSEN, for his conscientious work on the Appropriations Subcommittee dealing with these countrywide projects.

He comes from the Missouri River side of our State, while my district lies along the Mississippi River. But when it comes to a sympathetic ear for funds to create necessary public works, my constituency could have no greater friend. I am extremely pleased to have him in his position of prominence on the powerful Committee on Appropriations. When the Republicans capture the House this year, as it begins to look increasingly likely, Iowa's BEN JENSEN will become one of the most powerful men in our Government, and right at a time when this country can use him most.

BEN JENSEN, fighting mainly from a minority position, has already saved this country billions of dollars. Whether he becomes chairman after this year or not, his influence will still be felt considerably. His is not a blind conservatism. He recognizes the responsibilities and obligations of the Central Government in many constitutional fields. He is generous where the veterans are concerned, and their widows and orphans. He supports all kinds of medical and scientific research.

He is a leading soil conservationist and watershed advocate; he supports enthusiastically meritorious flood control projects, and he has strongly supported for his 24 years in the Congress the basic purpose of the act creating the REA. He favors bringing low-cost energy into farm homes not served by investor-owned companies, and his record shows that.

So, I find it a labor of love to recite these encomiums relative to the dean of our delegation.

He is an asset to Iowa, and practically a necessity to our country. We need more like him. We should not expect him and a few others to shoulder the whole burden.

Despite all efforts by BEN JENSEN and a handful of other sound thinkers, this country continues to slip deeper and deeper into debt.

I hope we can bring about some miracle which will alter that bankruptcy course, but in the meantime we can sleep easier knowing that but for BEN JENSEN and others of similar philosophy on the Appropriations Committee we would be another $50 or $60 billion in the hole.

The Clerk read as follows:

TITLE I—DEPARTMENT OF DEFENSE—CIVIL

Department of the Army

Cemeterial Expenses

Salaries and expenses

For necessary cemeterial expenses as authorized by law, including maintenance, operation, and improvement of national cemeteries, and purchase of headstones and markers for unmarked graves; purchase of one passenger motor vehicle for replacement only; maintenance of that portion of Congressional Cemetery to which the United States has title, Confederate burial places under the jurisdiction of the Department of the Army, and graves used by the Army in commercial cemeteries; $10,276,000: *Provided*, That this appropriation shall not be used to repair more than a single approach road to any national cemetery: *Provided further*, That this appropriation shall not be obligated for construction of a superintendent's lodge or family quarters at a cost per unit in excess of $17,000, but such limitation may be increased by such additional amounts as may be required to provide office space, public comfort rooms, or space for the storage of Government property within the same structure: *Provided further*, That reimbursement shall be made to the applicable military appropriation for the pay and allowances of any military personnel performing services primarily for the purposes of this appropriation.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have asked for this time at an early stage in the reading of the bill in order to speak of an item that is included, an item about which I had no information until yesterday after the bill was reported.

To give you just a little background, when I first came here in 1935 the Governor of my State was Paul V. McNutt. In concert with him and other Representatives of the State of Indiana—I think at that time Senator Minton was here, and Senator Van Nuys was in the Senate—we began work on what we as people from Indiana thought was a matter of vital necessity to the industrial development of our State. We were seeking to bring about the construction of a deepwater port on Lake Michigan on the shore of Indiana where there would be space available for industrial expansion.

As I say, that started a long time ago. It began with a bill for the survey and the examination of the lakeshore of the State of Indiana. At that time the Secretary of War was directed and authorized to make an examination and survey of the shore of Lake Michigan and the frontage thereon in the State of Indiana looking to the establishment and construction of a new and adequate commercial harbor at the most suitable site. You understand, the directive at that time in 1935 was the determination of a suitable site.

Following hearings the Board said that it recognized the probable future need for a suitable harbor for general commercial use on the lakeshore of the State of Indiana but was of the opinion that the selection of such a site for such an improvement should be based on a comprehensive review of the whole available frontage.

That was provided for by action of the Congress in 1937. The survey was made. It dealt extensively with all of the existing harbors on the Indiana shore of Lake Michigan, their facilities and their potential use. It dealt with the geographic distribution of these ports, the cities and towns in the immediate area of that site. It dealt with existing rail and truck facilities and their availability, and many other features.

Then, under the heading of "Conclusion," the Army Engineers said this:

> The Burns Waterway site is the only one on the Indiana shore of Lake Michigan at which sufficient space is available for the type of general and industrial commercial harbor desired by local interests.

That is pretty conclusive, is it not? That plainly establishes that a determination had been made.

Then further they refer to the adjacent State park which we have in Indiana with 3 miles of shoreline, just a bit of it presently used, the nearby towns, residential development, and the heavy industrial development west of the Burns Waterway site, and they ruled that out as the place to build a harbor. So finally, after hearing after hearing and many representations made, the Army Engineers finally recommended the Burns Waterway Harbor site in Indiana, with provision for a deep-draft harbor at Burns Waterway on the south shore of Lake Michigan. Harbor improvements would consist of a north breakwater, a west breakwater and so on; and then the estimates are given as to the cost.

Now let me again point out that this has been an effort carried on by the State of Indiana by every elected Governor, Democrat and Republican, and is being presently carried on by Gov. Matthew E. Welsh, of Indiana, who happens to be a Democrat and the Indiana Port Authority that has spent many, many dollars of Indiana money to further this project and which is now in the process of acquiring land to build this harbor, approved by the Army Engineers, and waiting for final action from downtown.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

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

There was no objection.

Mr. HALLECK. Mr. Chairman, here is an item of $50,000 included in this bill. I am saying to you in the light of the history of everything that has gone on if this item is intended to be in the nature of something adverse to the Burns Waterway project it would be pretty much a slap in the face for the people of Indiana, and I say even now under the present administration, to Members of Congress by and large and U.S. Senators who have been for this port at the Burns Waterway; here there is $50,000—to do what? To study something in an adjacent area, apparently, to once again determine feasibility. Well, the proposition as to the feasibility has already been determined. How many times do we have to determine it before Indiana can achieve the thing for which we have been struggling all these years, and that is, our fair opportunity of access to the waterways of the Great Lakes and now through the St. Lawrence Seaway, which I supported, to the ocean itself.

Mr. Chairman, I say this item should never have been in here. I have just talked to Governor Welsh by phone. I understood that there is some language which may be acceptable and the Governor has asked me not to offer an amendment to strike out the $50,000. After all, the Governor is the representative of the State of Indiana. He has appointed the harbor commission. He has been supporting this project. He has been in and out of Washington right along so I suppose that my situation is such that about all I can do is to make some observations here. But I just wanted this to be clearly understood: if this insertion of the amount of $50,000 were to be interpreted as any sort of a roadblock for the holding up of the approval of this report it will be a blow to the people of Indiana who have fought for so long, all of us—both parties—with some exception here and there, and I understand my great friend and colleague from the First District is now in favor of having this $50,000 in here. But from the standpoint of the overwhelming majority of the people of the State of Indiana, they want this Burns Waterway project accomplished. It is our just due. We do not want any more roadblocks thrown in our way. As I said at the outset, here you are asking the engineers to make another survey in spite of the fact that they were specifically directed to conduct the survey in an earlier action by the Congress—not just of one location but of the whole shore of the State of Indiana to determine the best site. They have made that recommendation. It came from the Chicago office to the Army Engineers here in Washington and they have approved it. So it has gone through all the proper actions and procedures that a matter such as this has to go through ordinarily when reports are asked for and the project has been submitted to all the interested parties and agencies of government. I express the hope that the Bureau of the Budget and the White House will give us the approval that I think we are entitled to, and will do so without further delay. So the least I can do on this occasion is to make it very clear in this RECORD that if this item remains in the bill, it should not be construed as an obstruction in the way of the accomplishment of this project with respect to which I and so many others have spent so much time. I have appeared at hearings all over the country, in Chicago and here in Washington and Detroit and in other places in the company of past and present Governors of my State and of U.S. Senators, and on many occasions in the company of the entire congressional delegation from the State of Indiana.

As I say, if the item stays in the bill, I certainly do not want it construed any place anywhere as roadblocking the accomplishment of our harbor project.

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

Mr. HALLECK. I yield.

Mr. CANNON. It was not the intention or purpose of the committee to take sides in the matter whatever. The proposition presented is so small, that of making a brief and minor exploratory investigation which would be concluded before final determinations on funding Burns Ditch Harbor would have to be made. I would say that the committee had no intention whatever of prejudging the merits of the Burns Ditch proposition. We appreciate the information the gentleman gives us.

Mr. HALLECK. I notice in the report mention made of the item. When I look further on in the report it is clearly indicated that it is an unbudgeted item; in other words, the Bureau of the Budget did not ask for the inclusion of this item.

Mr. CANNON. The gentleman is correct.

Mr. HALLECK. There is one other peculiarity about it I could not quite understand, and that is that this survey item is included in the projects for Illinois.

Mr. CANNON. The gentleman understands this was an exploratory proposition involving both States.

Mr. HALLECK. Then, I fairly assume from the fact that it was listed under Illinois projects that it primarily has to do with benefits to Illinois and hence would not have much to do with what we are trying to accomplish.

Mr. CANNON. It covers both States, and when it was included in the bill it was listed under the State which occurs first in alphabetical order as is customary in our report tables.

Mr. MADDEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, what my friend and colleague from Indiana just stated is a rather enthusiastic résumé of what has taken place on this so-called Burns Ditch Harbor; but I merely want to kind of review a few facts that were omitted.

This Burns Ditch Harbor did not start with Governor Handley or Governor McNutt. This location at Burns Ditch Harbor is on the south shore of Lake Michigan, the southern point of Lake Michigan. There is a 600-mile sweep down the lake, and when storms strike from the north mammoth deposits of land, rock, and silt is what builds up the Indiana dunes.

I discovered some ancient history about this particular matter of the Burns Ditch Harbor over in the Congressional Library. I discovered that Senator Daniel Webster back in 1836 came to Michigan City on a big Fourth of July celebration for the opening of a new harbor at Burns Ditch. They had quite a celebration on the opening of a great harbor there. That was 126 years ago. They discovered later, however, which they did not know then, that these terrific storms that built up the dunes kept on coming, and the Government had to make about 8 or 10 appropriations over the next 50 years to keep that particular harbor cleaned out of sand and silt. Therefore, the harbor never amounted to much.

The Army Engineers in 1960, which is only 2 years ago, brought back a report on their long study on a harbor at Burns Ditch. They mentioned in a paragraph of that report the fact that the 600-mile sweep down the lake from the north would greatly jeopardize a harbor at this location.

They mentioned in another paragraph, Mr. Chairman, in this survey that the Army Engineers made in that 1960 report that 97 percent of the cargo for the foreseeable future—they mentioned 15 years—would go to two proposed steel mills to be located at Burns Ditch. One of these steel mills is headed by George Humphrey, former Secretary of the Treasury, who has started the construction of his National Steel mill. On the other side of Burns Ditch there will be a proposed steel mill owned by Bethlehem Steel. This Army Engineer report said that 97 percent of all the cargo for the next 15 or 20 years would be cargo for those two steel mills, which means only about 3 percent of lake shipping would benefit central Indiana.

The report of the Army Engineers 2 years ago, 1960, discounted the value of public shipping at this harbor point.

Now, a mysterious thing happend. In 1960 George Humphrey was very active as an adviser at the White House. The Army Engineers recalled that report. They held a new set of hearings in Indianapolis. I appeared at those meetings against the Burns Ditch location, and I reread before the Army Engineers what they stated in their 1960 report. So under this new hearing that took place the old Army report went into the discard, and the new report released months later did not mention the hazards of the Burns Ditch location which were set out in the 1960 report. The new report did not mention 97 percent of the shipping that the two proposed steel mills would receive from the $80-million harbor to be erected at taxpayers' expense.

About 15 or 20 miles west of Burns Ditch is a natural harbor location where there is industry already established. There are three major steel mills, the majority of the oil companies have their refineries there, and about 200 other industries, large and small, have already been located and established. This $50,000 Army Engineers survey calls for a study of the tricity harbor location in the center of a great industrial area.

Let the Army Engineers survey this magnificent harbor location at Hammond and East Chicago and Whiting where they have superior facilities, transportation, and an already constructed breakwater.

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

(By unanimous consent (at the request of Mr. MADDEN), he was allowed to proceed for 3 additional minutes.)

Mr. MADDEN. Mr. Chairman, it seems there was a great deal of excitement during Governor Handley's administration a few years ago when this proposed Burns Ditch was promoted. There was a great opening ceremony held. Former Secretary George Humphrey was there, as well as a number of distinguished officials and real estate people from all over the State. A few distinguished politicians, investors, and other people organized and bought a lot of land around the Burns Ditch area. We do not need to go into that at this time. I am asking the Congress to let the Army Engineers make a harbor study in Lake County where large industry is located. It would cost only $50,000. Let them make that survey and make a report on it. If they want to go through and grant a permit to go ahead at Burns Ditch, let them go ahead. They will have to come back to Congress to get the money to build it, and we can then debate the pro and con of Burns Ditch harbor.

I ask the committee not to eliminate this amount of $50,000 which is necessary to study all locations for a Lake Harbor in northern Indiana. They estimate Burns Ditch harbor will cost $80 million. It will be $150 million before they get through. And for $50,000 you may save a $150 million experiment.

The chambers of commerce, labor, public, and the mayors of the cities of Lake County, Ind., all want a harbor in northern Indiana. We think we have a good location for it. I do not have time to read a statement made by the Inland Steel Co., stating their opinion against a harbor at Burns Ditch. You should read some of the things they say about the harbor at Burns Ditch. For instance, they owned for years 800 acres of land there, but the reason they never built a steel mill down there was on account of what I just narrated, the terrific storms from north to south on Lake Michigan with its tons of sand and silt which makes a harbor at Burns Ditch impracticable. I want to congratulate the Appropriations Committee for acting favorably on a $50,000 fund to start a survey on the tricity harbor in the great industrial region of Indiana.

Mr. ROUSH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is a very serious matter for the State of Indiana. I have also prepared an amendment which would have deleted this $50,000. The purpose of its preparation was to protect our present plans for an Indiana port at the Burns Waterway location.

Mr. Chairman, I would like to clarify a matter, for the sake of the record and to establish a proper legislative history. If the distinguished chairman of the committee, the gentleman from Missouri [Mr. CANNON] would give me his attention, I would like to ask concerning this item:

The item to which I am referring, Mr. Chairman, is to be found on page 5 of the report on the public works appropriation bill for 1963 under the general heading of "Civil Works," and then further, under the heading "Illinois" and the project is identified as "Hammond-Whiting-East Chicago, Navigation," for which $50,000 is designated. Do I understand, Mr. Chairman, that it is the intention of the committee that the appropriation of such funds is not an expression by the Congress at this time that the Burns Waterway harbor site for an Indiana port should either be approved or disapproved?

Mr. CANNON. Mr. Chairman, if the gentleman will yield, may I say that the gentleman is correct. The answer is "Yes."

Mr. ROUSH. I thank the chairman for his response. I wanted to make absolutely sure that the record was clear that there is to be no delay or interference with the construction of an Indiana harbor at the Burns Waterway site.

Mr. Chairman, my distinguished colleagues have given to the Members of the House a bit of the history on this harbor. When the northern border of Indiana was established, it was negotiated at a place above the southern shore of Lake Michigan in order that Indiana might have a portion of that shoreline with the view of someday using that lake. We have come a long, long, hard road in order to arrive at the place we are today. It now appears that an Indiana harbor will be constructed. We are interested in nothing which will obstruct the construction of that harbor.

Mr. Chairman, the Governor of the State of Indiana, who is a Democrat, his predecessor who was a Republican, the Lieutenant Governor of Indiana, and all but one of the Indiana congressional delegation, including the two Indiana Senators, have expressed themselves favorably concerning this proposed Indiana harbor at the Burns Waterway. I am glad that we have made this record clear. I am not going to offer my amendment. I trust that the administration, through the Bureau of the Budget, will give immediate approval to our Indiana harbor and that this project might be included in the rivers and harbors authorization bill so that Indiana might reap the benefits for the years to come from a harbor in the northern part of the State, which I am sure will be gratefully received by the vast majority of our people.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, with or without the $50,000 for Indiana this bill is still going to cost $4,613 million-plus. I am not particularly impressed with the $131 million cut below the asking price of the Bureau of the Budget, but I am impressed with the fact that it is almost $673 million more than was spent for the same general purposes last year. Now, with a deficit this year of $6.3 billion—and I am aware of the fact that much of the increase in the bill is going to the atomic energy setup—but with $6.3 billion deficit in the operation of this Government last year, it seems to me that sometime, someplace, somehow this Congress is going to have to begin to cut this and other bills. How is it expected to balance the budget and continue to spend more money? If the atomic energy program must go on at an accelerated rate, then cut somewhere else. But let us stop this spending that runs the Federal Government into the red to the tune of $6 to $8 billion a year, and a few years ago $13 billion in 1 year. How is it expected to keep this Nation from bankruptcy if there is no disposition to cut some of these bills?

All of these things are fine, I am sure, but somebody is going to have to forego some of the good things of life if this Nation is to remain solvent. Now, I am interested in the language to be found on page 4 of the bill, which says:

> That no part of this appropriation shall be used for projects not authorized by law.

It seems to me that in this bill the legislative process is operating in reverse. In other words, there must be projects in this bill that are not authorized by law but for which the committee is providing money and hoping the Congress will eventually pass the authorizing legislation. Is this common, ordinary, everyday appropriation language, or are we embarking upon something new in this bill that provides for the appropriation of money before Congress authorizes the appropriation? Is this common practice, I ask the Chairman?

Mr. CANNON. The gentleman, I have no doubt, is aware that this is a provision carried in the bill each year. We do not list each project in the bill as a line item, so we do make provision to prevent use of funds on unauthorized projects. Money cannot be used unless it is for authorized purposes, and the item is not subject to a point of order because this language protects it.

Mr. GROSS. The gentleman from Ohio [Mr. KIRWAN] mentioned the project in Flushing Bay and Flushing Creek, N.Y., as not being authorized. I wonder if somebody will tell me the purpose of this project? I do not seem to find anything in the report about it and I wonder why it is being appropriated for before Congress authorizes it. What is this project?

Mr. CANNON. It is in anticipation of a World's Fair in New York, as the gentleman understands. It provides for improvements to an existing harbor which are justified with a benefit-cost ratio of 3.3 to 1. These improvements will also incidentally facilitate water access to the fair area.

Mr. GROSS. I ask the gentleman from Missouri if we did not appropriate $17 million for the New York World's Fair in the belief that would take care of all Federal participation? What is it proposed to do—dredge a channel or establish a yacht harbor, something of that kind?

Mr. CANNON. The gentleman understands that these are two entirely different propositions. One is for taking care of a harbor which requires urgent attention. The other is for a purpose which had to be taken care of at a very early date.

Mr. GROSS. What is this Flushing Bay project? What is its purpose?

Mr. CANNON. In response to the inquiry of the gentleman from Iowa, may I say that this proposal is for an anchorage basin and for a breakwater, which are essential, as the gentleman understands, in that immediate area. The estimated Federal cost is $2,315,000. Local interests are contributing $1,154,000 or about 30 percent.

Mr. GROSS. It is a breakwater; is that what the gentleman says?

Mr. CANNON. Yes; and harbor deepening.

Mr. GROSS. To break what?

Mr. CANNON. It is an anchorage basin, and we must have the breakwater in order to protect the anchorage basin to make it safe in order that vessels using the harbor now and others which will be taking visitors to the fair may do so without hazard.

Mr. GROSS. What is there in Flushing Bay and Flushing Creek?

Mr. CANNON. There is an existing project there. It was authorized in 1925 and constructed in 1937. This deepens the harbor from 12 to 15 feet. This breakwater protects it. It makes a safe anchorage.

Mr. GROSS. Let me ask the gentlewoman from New York, Was it not understood when we passed the bill providing $17 million—was that the amount for the New York World's Fair?

Mrs. KELLY. That is my understanding, $17 million. I thank the gentleman from Iowa for giving me the opportunity to attempt to answer his inquiry. I want to pay tribute to him at this time. His capability and capacity to review and study all projects, and bills which come before us in this House is most helpful to all of us. He brings to this House an alert review of all that we attempt to do and helps us to exert our responsibility.

Mr. GROSS. Was it not understood that this would be the limit of Federal participation in the fair?

Mrs. KELLY. I am sorry, but I believe that $17 million was the U.S. participation in the World's Fair for a building that would be built there. I understand it was not for any other project. I am not fully acquainted with this item. to which you refer. I believe it is for an enlargement of the harbor, a deepening of the channel. It is true that it will be finished to permit larger yachts and boats to come in there bringing visitors to New York to attend the World's Fair. This project was planned, studied long before the idea of the World's Fair was conceived but just happened to be finished at that time. We in New York have given so much to the Federal budget that I do not think this is out of order. The local construction will be $11,154,000.

Mr. GROSS. Suppose Emperor Haile Selassie of Ethiopia decides to come to the New York World's Fair. Could he park that $3 million air-conditioned yacht that we provided him in the harbor?

Mrs. KELLY. My answer is, I hope he can come and bring that yacht, and maybe it would attract more tourists to the city of New York. I also hope the basin may be able to accommodate a yacht as large as that. Maybe in that way we could get returned some of the money we have given to that country.

Mr. GROSS. Mr. Chairman, I have reached the conclusion that this bill, otherwise known as the pork-barrel bill, is much the same as those which have preceded it through the years. There seems to be something in it for almost everybody. I reiterate that instead of having been reduced in cost as compared with last year it is increased by more than a half billion dol-

lars. It is too rich for my blood and if there is no record vote I want to be on record as being opposed to it.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, very little testimony was given before the subcommittee relative to the East Chicago project. Of course, we have had much information relative to the Burns Creek Waterway project for many years past. It has been established here today that the $50,000 which is included in the bill for a survey for the Hammond-Gary area project would have no bearing whatever on the building of the Burns Creek Waterway project.

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

Mr. JENSEN. I yield to the gentleman.

Mr. BRAY. I am very happy to hear the gentleman say that it is the intention of the committee that this $50,000 item in the appropriation bill, which is not in the budget, shall not have anything to do with downgrading the Burns Ditch Port for northern Indiana. There has never been a project in Indiana that has had as nearly unanimous backing as this Burns Ditch Port project. Both Members of the Senate and Governors of the State of Indiana, past and present, and 10 of the 11 Indiana Members of Congress have enthusiastically supported the Burns Ditch project. The reason they backed that project is because its need and feasibility has been certified by the Army Engineers over a period of years. The Army Engineers has determined that the Burns Ditch location is where this port should be located. We all realize that most of the opposition to this project has come from interests outside the State of Indiana

Mr. JENSEN. I thank my colleague.

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

Mr. JENSEN. I am happy to yield to my distinguished colleague from Indiana.

Mr. ROUDEBUSH. Mr. Chairman, I would like to say in the 2 years that I have been a Member of this body, I have attended at least 15 or 20 meetings of public-spirited groups in Indiana in favor of the Burns Ditch Waterway. Just this week, I received a rather lengthy communication from the executive secretary of Governor Matthew Welsh of Indiana asking my further assistance in behalf of the Burns Ditch Port. Mr. Clinton Green, who is Governor Welsh's secretary—and Governor Welsh is a Democrat—is chairman of the Burns Ditch Port Commission. I would just like to say to the gentleman from Iowa, as one Member of the Indiana delegation, I wholeheartedly favor the consideration of the port at Burns Ditch.

Mr. JENSEN. I thank the gentleman.

Mr. Chairman, may I say, since this controversy has arisen, if it is a controversy, it would appear that a port at both places might be justifiable. There is a great deal of shipping in this area, and I would be the last one to attempt to deny the Hammond-Whiting-East Chicago project from being developed, if the survey shows and proves that it is feasible. So, I say again, it appears to be very plain now that these two projects are separate and distinct enterprises, so to speak. Hence, the Burns Creek project should go forward, irrespective of other proposals.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk read as follows:

CORPS OF ENGINEERS—CIVIL

The following appropriations shall be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers for authorized civil functions of the Department of the Army pertaining to rivers and harbors, flood control, beach erosion, and related purposes:

Mr. BENNETT of Florida. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I note that in its report on H.R. 12900 providing appropriations for public works for the fiscal year 1963, the Committee on Appropriations has disallowed the President's budgetary request for $205,000 to complete the advanced planning and the design of the authorized Cross Florida Barge Canal. I have no doubt that this action by the committee was taken after careful and impartial consideration of the testimony of the Chief of Engineers supporting this request of the President, and also the ex parte objections presented by witnesses for the principal competing form of transportation. But I am convinced that the committee has erred in their interpretation of this testimony through an incomplete understanding of the true facts with respect to this project which is not only fully justified by its benefits to the national economy but which is today even more essential to the national defense than it was in 1942 when it was authorized for that purpose. It is my hope that the committee will embrace the first opportunity to reconsider their conclusion.

I believe that the committee has erred in their interpretation of and in the weight they have given to the elements of the testimony cited by them as the basis of their findings, and all of which contradict the data and opinions presented by the Chief of Engineers.

The committee states that the project was authorized in 1942 and that it has since been studied on four separate occasions, and that the cost estimates of the Chief of Engineers have varied from $44 million in 1942 to $145 million in 1962, and that the benefits/cost ratio found by him has risen from 1.05 in 1958 to 1.2 in 1962. The committee cites the findings of a ratio of 4.6 by independent expert consultants employed by the Chief of Engineers, and the ratio of 0.13 submitted in an ex parte statement by representatives of the principal competing overland carriers. The committee has overlooked the fact that the differences in the Chief of Engineers estimate of cost in 1944 and his current estimate is due solely to increases in the cost of labor and materials over that 20-year period adjusted to certain relatively minor changes in plan. A corresponding increase obviously applies to all projects which have been authorized for any considerable time. I submit that the estimates of the cost and the benefits made by the Chief of Engineers are admittedly conservative in the extreme and are highly consistent. A net result of all studies of this project is a confirmation of the adequate and ever-increasing justification. When the committee suggests that it be submitted to yet another study as a condition precedent to reauthorization because it has been authorized for 20 years, are we to understand that the committee is proposing the same procedure for all projects authorized more than a few years ago and not yet funded, and that all such be resubmitted to the legislative committees and the Congress for possible reauthorization?

Concluding that 80 percent of the benefits of the project found by the Chief of Engineers reverts to the State of Florida, the committee has overlooked the fact that, in addition to national benefits to through traffic, commodity movements via the proposed canal originating outside the State and destined to Florida benefit directly the areas of origin, and that commodity movements originating in Florida and destined to areas outside the State benefit directly the areas of destination. As a matter of fact, there is probably no project, proposed or existing, the benefits of which are as nationwide as will be those of the Cross Florida Barge Canal.

The record of the hearings held by the committee on this project makes it clear that objecting witnesses for competing modes of transportation who alleged that the proposed canal did not afford a safe route between the gulf and Atlantic systems of inland waterways did not fully inform the committee. The facts are as follows:

In House Document No. 109, 79th Congress, 2d session, upon which the authorization of this project was based, on page (iii), there is set forth a letter from the Chief of Engineers to the chairman of the Committee on Rivers and Harbors in which he states:

> With reference to the use by intracoastal waterway traffic of the open gulf between the eastern terminus of the present intracoastal waterways in the vicinity of Apalachee Bay and the gulf terminus of the above-mentioned barge canal, it may be stated that coastwise traffic now follows this route and that while some danger is connected therewith, I am informed that there is very little time lost in navigating this portion on the gulf. Accordingly, it would be possible to eliminate that section of the intracoastal waterway from the improvements proposed in H.R. 6999 and still move very large quantities of commerce by barge from terminals along the gulf coast to the eastern seaboard with the completion of the other improvements proposed in the bill.

Barge traffic is now, and has been for many years, moving over the Apalachee Bay reach from the terminus of the gulf intracoastal waterways near Carrabelle to the mouth of the Withlacoochee adjacent the proposed gulf terminus of the Cross Florida Barge Canal project and

to Ceder Key and other points on the Florida west coast.

The ease of barge navigation and the safety thereof in open waters is not primarily dependent upon condition of wind and water but on the power of the tug. The power of the tugs used on our intracoastal and other inland waterways has been constantly increasing during the past two decades, and relatively short hauls, like that in question, over coastal waters are now routine. Almost all major routine barge movements over our inland waters are now propelled or towed by tug sufficiently powerful to move barges safely in the coastal water of Apalachee Bay.

The route of the Cross Florida Barge Canal was the subject of a very extensive survey—from southern Georgia to central Florida—extending over many years. The final selection of alinement was made in the light of the consideration—among others—that so far as through barge traffic is concerned, the reach in the gulf across Apalachee Bay is entirely practicable for inland barge navigation. This reach is no more hazardous than are the existing and well-traveled reaches of the intracoastal waterways across Mississippi Sound and Chesapeake Bay.

Probably paramount to all of these considerations is the fact that the reach in Apalachee Bay offers a route for barges which is protected from submarine torpedo attacks. Both naval and merchant officers agree that while offering adequate depth for barge movement, the shoals on this part of the coast extend so far out that they preclude the approach of the submerged submarine within effective range.

Congress was fully informed as to, and took congizance of, this existing reach of the Intracoastal Waterway of the coastal waters of Apalachee Bay, and enacted this authorization in the full light of that knowledge, accepting the judgment of the Chief of Engineers that any hazard to barge navigation in this reach is inconsequential.

In finding that the construction of the Cross Florida Barge Canal will downgrade the economics on which are now justified the Federal expenditures for improving the intracoastal waterways on both coasts of Florida, the committee has overlooked the unanimous agreement of all competent opinion that this project, so far from downgrading these economies, will very greatly enhance them. Typical of this body of informed opinion is that of the Chief of Engineers stated in a letter from him to the Secretary of War under date of March 29, 1945, and approved by the Secretary on April 19. In that letter, the Chief of Engineers says, in part:

Plans have been completed for the early postwar construction of this Cross Florida Barge Canal which connects with the waterways leading north to Norfolk, previously referred to, the waterway from Jacksonville to Miami, which will constitute a principal seeder to these other sections, has been completed to a depth of 8 feet and a width of 100 feet. I am firmly convinced that there will be an ultimate requirement for a project of 12 feet in depth and suitable width to accommodate commercial needs of the waterways from Miami to Jacksonville. This requirement may not exist in the immediate postwar period, but will certainly become necessary when the Cross Florida Barge Canal has been constructed and placed in operation.

In conclusion, I wish to repeat that my respect for the fairness and conscientious regard to the committee for the relation of such public works to the national economy and the national defense inspires me with confidence that they will take the first opportunity to reconsider their conclusion in the light of the foregoing facts.

Mr. BENNETT of Florida. Mr. Chairman, I ask unanimous consent that the gentleman from Florida [Mr. SIKES] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. SIKES. Mr. Chairman, first let me express my appreciation and that of my colleagues from Florida to the Subcommittee on Public Works for its consideration and support on a substantial number of deserving Florida projects. I am particularly pleased to see funds approved for such needed projects as the St. Marks Harbor and Channel. This is one of the most rapidly growing of the smaller ports of the State. It serves as the port of Tallahassee and the Big Bend area of Florida and nearby south Georgia. Despite its growing importance as a port, the inadequate channel facilities require barges to come in light or to wait for high tide. Larger vessels are denied the use of the port for the same reason.

I am glad, too, to note that channel improvements are approved for the Apalachicola River. This is the main artery of the important Apalachicola-Flint-Chattahoochee Waterway. Already it is carrying a heavy traffic load, and when upriver dams are completed, this traffic will double. There is shoaling in the channel which interferes with the optimum use of the channel, and corrections have been recommended by the U.S. Engineers.

Completion of the survey on long needed improvements for East Pass channel at Destin also will be assured by an appropriation item in this bill.

Recognition is given to a growing demand for studies on the need for channels across Santa Rosa Peninsula and Santa Rosa Island. Boat traffic on Pensacola and Escambia Bays originating at Milton, Gulf Breeze, and Pensacola is now denied access to Santa Rosa Sound and the Gulf of Mexico without a long, circuitous trip. Similar recognition is given to the requirement for a survey to determine the need for a navigable channel in the upper Escambia River, Fla., and Ala. This is a growing industrial area which is generating more and more boat traffic.

These are projects which lie in my own district. I am equally appreciative of the consideration shown by the subcommittee in approving other justified and needed projects throughout my State.

In complete frankness, let me state too, I am disappointed in the action of the subcommittee in denying funds for the Florida Cross State Barge Canal. This is a budgeted item. These have been fully screened by administrative agencies and they have been determined to have ample justification. In this case, it is particularly unfortunate that funds were deleted since this year's budget allocation would have completed the preconstruction studies. The entire preconstruction package of design and engineering would have been finished. The only remaining decision would then have been on when to start construction on the project. Full information on which to base that decision would be available. Now, unless the present action is corrected in the Senate, the final stages of the preconstruction package will be left hanging in midair. It is significant that over $1,700,000 have been spent in surveys, advanced engineering, and design for this project. The $205,000 originally contained in this bill is a fully justifiable expenditure, and to delete it must be looked upon as poor economy. It will cost more to come back later, pick up the loose ends, and complete the preconstruction package. We consider that the need for the canal has been determined beyond question, and that a disservice is done to our State by referring further action in this manner.

Mr. BENNETT of Florida. Mr. Chairman, I ask unanimous consent that the gentleman from Florida [Mr. MATTHEWS] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. MATTHEWS. Mr. Chairman, I should like to associate myself with the remarks of my colleague the Honorable CHARLES E. BENNETT, of Florida. I think he has given an excellent statement concerning the Cross Florida Barge Canal. I am, of course, very disappointed that the Committee on Appropriations not only disallowed the President's budget request for $205,000 for advance planning and design of this project, but recommended that Congress be asked to reaffirm a previous authorization before any request is again presented to the Appropriations Committee for funding. The committee report quotes varying benefit-cost ratio estimates, which might lead to the conclusion that this important project is not economically justified, in the absence of a more explicit explanation. I do not believe the committee report reflects the more favorable aspects of this proposed project, and I should like to call the attention of the Members of Congress to the fact that the U.S. Army Corps of Engineers, which is the agency of our Federal Government for evaluating projects of this kind, returned a favorable report on the Cross Florida Barge Canal, and recommended immediate construction. The Engineers recommendations were based on their own studies, which showed first a benefit-cost ratio for the canal of 1.05 to 1, in 1958, and later upon a reanalysis, a

benefit-cost ratio of 1.17 to 1, in 1962, which for rounding out of the figures is given as 1.2 to 1. A private company which made a recent economic evaluation reported a benefit-cost ratio of 4.6 to 1. Now, I realize that the Corps of Engineers cannot accept an economic evaluation by a private company, but it is interesting to note that on the basis of this evaluation, the Corps of Engineers did find a more favorable benefit-cost ratio. I think it is important to point out, also, that each year there is a more favorable benefit-cost ratio from the previous year. With the extraordinary growth of Florida, this benefit-cost ratio could well become more and more favorable with the passage of time.

It is difficult, indeed, to estimate the great good that would result from this Cross Florida Barge Canal. In my opinion its worth to the entire State of Florida and to the Nation is incalculable. It would serve as a connection between the gulf and the Atlantic intracoastal waterways and would provide a new mode of transportation to the immediate tributary area which includes 10 Florida counties, 7 of which are in my district now, or will be added January 1, 1963; namely, Alachua, Clay, Flagler, Levy, Nassau, Putnam, and St. Johns. According to the U.S. Engineers' analysis:

> For certain commodities the trade area tributary to the canal is the entire State of Florida or the southeastern region of the United States.

I think it should be emphasized, also, Mr. Chairman, that this canal will have a tremendous effect on the defense of this Nation. Certainly in the age of space we now find ourselves with the tremendous space operations in Louisiana, Texas, and Cape Canaveral, Fla., this canal would be of tremendous benefit.

I most earnestly hope the Congress will see fit to restore the $205,000 recommended by the Corps of Engineers and the President for the further planning for the Cross Florida Barge Canal.

Mr. BENNETT of Florida. Mr. Chairman, I ask unanimous consent that the gentleman from Florida [Mr. HERLONG] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. HERLONG. Mr. Chairman, I wish to associate myself with the remarks made by the distingiushed gentleman from Florida [Mr. BENNETT].

It is true that a great deal of misinformation has been put out on this project, but the misinformation has been put out by the opponents. Of course this is designed to try to confuse the committee and bring about inconsistencies.

The argument that the committee makes in the report to the effect that the Cross Florida Barge Canal would not be feasible if constructed because the western terminus is 8 miles out into the Gulf of Mexico falls flat on its face when confronted with the fact that at the present time a number of barges are using the open gulf between Tampa and St. Marks.

The Clerk read as follows:

GENERAL INVESTIGATIONS

> For expenses necessary for the collection and study of basic information pertaining to river and harbor, flood control, shore protection, and related projects, and when authorized by law, surveys and studies (including cooperative beach erosion studies as authorized in Public Law 520, approved July 3, 1930, as amended and supplemented), of projects prior to authorization for construction, $16,561,900, to remain available until expended: *Provided*, That $100,000 of this appropriation shall be transferred to the U.S. Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563–565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Department of the Army.

Mr. GOODELL. Mr. Chairman, I move to strike out the last word.

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

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

There was no objection.

MANPOWER RETRAINING PROGRAM

Mr. GOODELL. Mr. Chairman, I have asked for this time to speak out of order simply to point out a statement that was made by the President on Monday night in his speech to the Nation which troubled me a great deal. I quote:

> Four hundred thousand unemployed men and women are now receiving retraining so that they can find new work in new industries and new jobs.

Mr. Chairman, I think everyone in this body knows I am in deep sympathy with and am greatly interested in the manpower retraining program.

I think that is a disservice to the program. The President says 400,000 people are being retrained. The fact of the matter is that there are exactly zero people being retrained under the manpower bill at this point. It is an unfortunate fact but a true one.

The President mentioned specific examples of individuals who are being retrained. Those individuals are being retrained under the area redevelopment legislation, the depressed areas bill, and there are a total, I am informed, of 9,000 people being retrained under the depressed areas bill. This is a long, long way from the 400,000 which the President indicated are being retrained.

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

Mr. GOODELL. I yield.

Mr. PERKINS. I think the gentleman will find that the President's statement does not limit the 400,000 to the manpower training bill which was passed this year. He meant the Vocational Rehabilitation Act and all the other training programs we now have in effect in this country.

Mr. GOODELL. I just read his statement. If that is not what he said, this is what he meant. First of all, it was misleading, and, second, it is still not true, because the Vocational Rehabilitation Act provides for training 100,000 people this past year. That is the number under the Vocational Rehabilitation Act. Under the vocational education program there were over 3 million people participating. He could not possibly have meant that program. The number of people in the various retraining programs does not add up to anything like 400,000.

Where he got this 400,000 figure I presume is from the projected training that will be done under the manpower bill. In the first year, if it were fully funded, with all the money that was requested, $100 million for the first year, we could train presumably 160,000 people. In the second year another 250,000 people. In these 2 years, if the program is running well and if we get all the appropriations necessary, we will have trained 400,000 people. That is the figure.

I may say to the gentleman further that I have talked to administration people who are running this program and they tell me they consider this to be an error and they do not know how it got there.

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

Mr. GOODELL. I yield at this point.

Mr. PERKINS. What the gentleman is now stating is correct as to the number that will be retrained under the manpower bill next year and the year after and in the future.

I believe that the distinguished gentleman from New York is indulging in the game of gnatpicking. If I were to play the same game, I would have no difficulty whatsoever in justifying the 400,000 figure from those being trained under the area redevelopment program, the veterans program, and the vocational rehabilitation program to mention only a few. In fact, I am advised that for this fiscal year the vocational rehabilitation program has reached the 100,000 mark. This past fiscal year I am advised that the Vocational Rehabilitation Agency in HEW is retraining at the rate of 100,000 annually. I am at a loss to account for my distinguished friend's reasons for his comments, especially when we both know that the President did not sign into law the appropriations bill to fund the Manpower Act until last Tuesday, the day following his television address.

Mr. GOODELL. Mr. Chairman, the President made a speech Monday night to the Nation. Among other things he mentioned the manpower retraining program.

I think all of you are aware of my ardent support for the retraining principle. It makes me unhappy, therefore, to have anyone misrepresent the program or inspire extreme expectations from it.

President Kennedy said, and I quote:

> Four hundred thousand unemployed men and women are now receiving retraining so that they can find new work in new industry and new jobs.

Mr. Chairman, unfortunately there is not a single unemployed person receiving retraining today under the Manpower Retraining Act. Two years from now, if Congress appropriates all the money authorized in the Manpower Act, we will

have an estimated 410,000 people trained or in training. But that's 2 years from now, not today.

It should not be necessary for the President to exaggerate so grossly in order to defend a good program. It is wrong for him to mislead the American people. What are our people going to say next year when they are told we are training only 160,000 people? What are they going to say 2 years from now when we are training just the 400,000 the President boasted of this week? Mr. Chairman, I sincerely regret this obvious mistake.

Let me emphasize that there are some workers being retrained under the depressed areas bill. The total as of June 30, 1962 was 9,000, a far cry from the 400,000 mentioned by the President. Today I am authoritatively informed there are exactly zero trainees being retrained under the manpower retraining bill.

Actually, the Manpower Act specifically authorized $5 million to be spent between March and the end of the fiscal year, June 30, so that necessary preliminary studies could be completed and retraining started as soon as possible after July 1. That money was never appropriated because of the appropriations hassle between the House and the Senate.

Up until Tuesday of this week there has been no money available for the manpower retraining program. The President just signed the appropriations bill for labor, health, and welfare, cutting the program from $100 million to $70 million. I deeply regret the cut in this particular appropriation. It is a clear example of Congress being penny wise and dollar foolish.

In any event, let the record be clear that there are not 400,000 unemployed men and women "now receiving retraining."

I would hope the President would correct his error to avoid any inference that it was an intentional misstatement of fact. The American people should be able to rely on facts given to them by their President, particularly in a bipartisan program like the manpower retraining legislation.

Mr. Chairman, The President made the statement which I quoted specifically that 400,000 unemployed people are now being retrained. Try as you will, by combining all the various programs that are involved in retraining now, you cannot come up with 400,000.

The vocational rehabilitation program, which is quite apart from the retraining legislation, last year by actual figures retrained 100,000 people. The Area Redevelopment Administration retrained 9,000 people. They have now in retraining 9,000 people. The reason I take the floor is because I believe very deeply in this program. Two years from now, we are going to come back to the Congress and to the people of this country, if the program is successful, and say we are now retraining 400,000 people, and somebody is going to say, "Why President Kennedy said 2 years ago you were retraining 400,000 people." It should be clear to everyone here and to the country that at this point, we are retraining absolutely no one under the manpower bill.

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

Mr. GOODELL. I will be glad to yield at the end of my statement. I do not want to be cut off in what I want to say.

The combination of all programs does not reach 400,000 even if you stretch your imagination in every direction. We hope that we will get the appropriations to do the job of 400,000 in the next 2 years, but the Committee on Appropriations just cut the first year's appropriation from $100 to $70 million and when I talked to the people at the Labor Department and asked them how many they are retraining today, they said "Under the manpower bill in the Labor Department, no one, because we have not got the money yet. We specifically, in the retraining legislation which was signed by the President in March, put in an authorization for $5 million between March and June 30 hoping to get the preliminary studies done and start retraining some of these people on the 1st of July. Unfortunately, the appropriation never went through and the $5 million never became available. So there has been no preliminary study made and there is no one being retrained under the manpower bill. I say this in the greatest sympathy. I approve of the program, obviously. I wish more people were being retrained, but I did not want any misinterpretation of these comments.

Now I am delighted to yield to my colleague, the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I want to state that the gentleman is correct insofar as his statement applies to the general manpower bill.

Mr. GOODELL. Mr. Chairman, I decline to yield further at this point. The gentleman said all of this the last time. The gentleman can ask for his own time to answer, if he will. The gentleman said all this the last time, but I have been through the figures and those now being retrained in all programs do not add up to 400,000 even if you use your imagination on it.

Mr. JOHNSON of Maryland. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Johnson of Maryland: On page 3, line 23, strike out "$16,561,900" and insert in lieu thereof "$16,576,900".

Mr. JOHNSON of Maryland. Mr. Chairman, I rise in support of my amendment which would provide $15,000 for a much needed survey of the Rock Hall Harbor in Maryland. First, however, I wish to commend the Committee on Appropriations for their labors on the public works appropriations bill. With a great need for such improvements in our country, I am aware of the difficult task that confronts the committee in drafting a bill that would meet the need of the many meritorious projects throughout our country.

In my district, there are several approved resolutions for surveys. And I am sure many other Members of Congress have proposed projects in their districts in which they are vitally interested. The First Congressional District of Maryland and, I may add, the State of Maryland are perhaps confronted with as many navigational problems as any State in the Union. Many of our people and a great segment of our economy are dependent upon our innumerable waterways.

In particular, there is urgent need for harbor facilities at Rock Hall. Some years ago the Federal Government spent a considerable amount of money to provide Rock Hall with an anchorage area. Now apparently, the breakwaters have either sunken or the water level has raised, rendering the project ineffectual. During May of 1959, General Person, Assistant Chief of Engineers for Civil Works, stated that a study for this particular harbor was warranted, that there may be fuller utilization of the facilities. I have therefore endeavored to secure the necessary funds for the survey under section 107 of the Rivers and Harbors Act of 1960. It was only the past date that I was informed by the Corps of Engineers that the project in question could not qualify under this particular act. Feeling that the proposal was not only meritorious but urgently needed I talked with the chairman of the committee today, who advised me that the committee would accept my amendment.

I want, therefore, to thank the very able chairman as well as the members of the committee for their cooperation and interest in this project.

The CHAIRMAN (Mr. BOGGS). The question is on the amendment offered by the gentleman from Maryland [Mr. JOHNSON].

The question was taken; and on a division (demanded by Mr. CANNON), there were—ayes 17, noes, 67.

So the amendment was rejected.

The Clerk read as follows:

CONSTRUCTION, GENERAL

For the prosecution of river and harbor, flood control, shore protection, and related projects authorized by law; and detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by States, local governments, or private groups) authorized or made eligible for selection by law (but such studies shall not constitute a commitment of the Government to construction); $762,361,000, to remain available until expended: *Provided*, That no part of this appropriation shall be used for projects not authorized by law or which are authorized by law limiting the amount to be appropriated therefor, except as may be within the limits of the amount now or hereafter authorized to be appropriated: *Provided further*, That none of the funds appropriated for "Construction, general", in this Act shall be used on the project "Missouri River, Kansas City to mouth", for any purpose other than bank stabilization work: *Provided further*, That $600,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563–565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Department of the Army.

Mr. BATES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had hoped that the atomic energy authorization bill, which is now in conference, would be enacted into law by this time so this public works bill could contain funds for a marine products development irradiator, as recommended by the Joint Committee on Atomic Energy.

The Joint Committee held exhaustive hearings on the food irradiation programs of both the AEC and to the Department of the Army, and concluded that the AEC program is not receiving the financial support that it deserves, based upon recent technical advancements. Therefore, the Joint Committee, after careful deliberation, added two projects to the AEC authorization bill for fiscal year 1963, H.R. 11974. These projects were project 63-j-2, marine products development irradiator, $600,000; and project 63-j-3, two mobile irradiators, $700,000.

In its report, the Joint Committee, after discussing the hearings, the status of the program, and the technical details of these projects, concluded as follows:

> Food irradiation, when perfected after more research, will not replace commercial refrigeration equipment, but can be a useful supplement, extending the shelf life of many perishable commodities.
>
> The Joint Committee believes that these projects should be initiated in fiscal year 1963 in order to keep the program moving ahead and to obtain further data. Detailed studies on biochemical factors, and changes in odor and taste, are needed to assure the safety and acceptability of irradiated products for human consumption.
>
> The Joint Committee has included these two projects, totaling $1,300,000, in this bill, and recommends that the necessary funds be appropriated for construction and operation. These would include $1,400,000 operating funds for the AEC food and irradiation program during fiscal year 1963.
>
> It is the Joint Committee's belief that this modest increase of funds will bring very worthwhile results.

I understand that the Appropriations Committee has recommended $516,000 from the isotopes development program and $200,000 from the biology and medicine program, making a total of $716,000 available for food irradiation development during the next year. I recognize that this is $216,000 higher than the $500,000 requested by AEC, and I wish to express my thanks to the Appropriations Committee for recognizing the importance of this program. However, I believe that $716,000 is still a very small amount for this promising area of research and development. Food irradiation, if further perfected, could bring great benefits to the fishing industry, and to the producers of certain agricultural products, particularly fruits and vegetables, by extending shelf life and thus making wider distribution possible.

AEC Chairman Seaborg proclaimed before the world, at the International Atomic Energy Agency's General Conference in Vienna last September, that the United States was embarking on a 5-year food irradiation research program as part of our atoms-for-peace program. The United States could be embarrassed by failing to follow through with this program which is of great potential interest to other countries, as well as to our own industries and consumers.

I hope, therefore, that the Senate will provide an additional $600,000 construction funds for the marine products development irradiator, and approximately $1 million additional operating funds for the two mobile irradiators and associated operating expenses.

I hope further that, if the Senate does provide these increased funds, the House will agree to the increase, which is small in terms of dollars compared to the total amount in the bill, but large in terms of potential benefits.

In summary, Mr. Chairman, the AEC food irradiation program has tremendous possibilities for our fishing, agricultural and food distribution industries. A few more dollars well spent on research and development now can bring great benefits to our country, as well as to our atoms-for-peace program.

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

Mr. BATES. I am delighted to yield to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I would like to say to my colleague on the Atomic Energy Committee that I believe this irradiation program is a very important program.

If the gentleman will yield further, I would like to ask one of the gentlemen of the Committee on Appropriations, preferably the chairman of the committee, the gentleman from Missouri [Mr. CANNON], how much money is included in the bill at this time for food irradiation?

Mr. CANNON. In response to the gentleman's inquiry, there is included the sum of $516,000 in the isotope development program and some $200,000 in the biology and medicine program, making a total of over $700,000.

Mr. HOLIFIELD. As I understand the response of the chairman of the Committee on Appropriations, there is now $716,000 in the bill, but there is an item of $600,000, I believe, that has been eliminated; is that not true?

Mr. CANNON. We eliminated nothing, but we did not include unbudgeted items. The item to which the gentleman refers was not budgeted and, therefore, we could not include it.

Mr. HOLIFIELD. The chairman has rightly said that the item in which the gentleman from Massachusetts [Mr. BATES], and I are interested was not a budgeted item. But I would like to also add my word of commendation to this item.

Mr. Chairman, the irradiation of food is becoming a very important and promising method of preservation. I hold here in my hand, for instance, a piece of beef that was irradiated in 1961—in November 1961. It has had no refrigeration. Yet it is in a condition today where it is ready to be eaten; just put it in the stove and cook it and eat it. This is true even though there has not been refrigeration. However, there has been irradiation.

Now, there is a further item in which our committee is interested, and the entire committee unanimously supported it, having to do with an irradiation machine that would cost about $600,000 which would irradiate fish on the seaboard, on the gulf, on the west coast, on the east coast, and it would make these fish available for inland consumption 6 or 7 days later without any kind of refrigeration.

Mr. Chairman, this is a very important science. While I do not intend to offer an amendment on this point at this time I do hope that the gentlemen who are conferees—if this item is a subject of conference in the conference—will look with favor upon it, because it promises a great deal of good to the people of America in getting food many times at places where otherwise they could not get it, and adding to the shelf life of food. For instance, with reference to tomatoes and strawberries it has been proven that their shelf life can be extended several days—5 or 6 days—as a result of irradiation. This is important in the shipment of food and makes it possible to keep the food a longer period of time while it is shipped to more distant places. So, this is a real important factor. The amount involved is only $600,000. It is still in the research and development stage. It has not been completely proved yet, but it has been developing for several years. I do hope that the Committee at the proper time will look with favor upon the restoration of this item.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. BATES] has expired.

Mr. CANNON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

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

There was no objection.

Mr. CANNON. Mr. Chairman, I am glad to have the opportunity to say to my distinguished friend, the gentleman from California [Mr. HOLIFIELD], that, while the committee was much interested in the subject, we labored under the disadvantage of not having an authorization. We had given notice early in the session that all authorization bills must be completed if they expected such authorized items to be included in the bill. Notwithstanding our importunities, at the time we had to mark up the bill—and we delayed the bill as long as possible—we did not yet have the authorization. The authorization bill is today still in conference.

How can we make an appropriation when, even at this late date, there is no authorization?

We would have been glad to include items in which the gentleman is interested had they been authorized. I trust in the future the legislative bill can have earlier attention.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to say that what the Chairman has said is correct. The authorization bill is still in conference and I understand the burden with which the committee has had to contend. I

want to say in general that I think the committee has treated the Atomic Energy appropriation most fairly, and while this is such a small item that I hate even to get on my feet and mention it, I do believe from a scientific research standpoint it is an important item and I hope we can come back with a proper authorization in time so that the committee can take care of it.

Mr. CANNON. Mr. Chairman, I am certain, if the gentleman will yield to me, he will find the committee ready to cooperate.

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

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

Mr. BOLAND. Mr. Chairman, as the chairman of the Joint Committee on Atomic Energy has said—and I agree with the statement made by my colleague from Massachusetts [Mr. BATES], this is an important item. If it had been budgeted it would be in this bill. I would hope that by the time the AEC authorization bill is finally approved and signed, and if the item is added in the Senate, the committe will retain it in conference. I am sure it will.

I am familiar with the work that the gentleman from Massachusetts has done in this area and, as explained by the chairman of the Joint Committee on Atomic Energy, it is a field in which we ought to advance more rapidly. We cannot do it without the necessary facilities and equipment. The $600,000 will be a start in this direction. I am sure if it is put in in the other body we will retain it in conference.

Mr. HOLIFIELD. I thank the gentleman very much.

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

Mr. HOLIFIELD. I yield.

Mr. CANNON. May I supplement what has been said by again calling the attention of all legislative committees to our entreaty early in the session for necessary authorizations required for the annual supply bills. I trust that the legislative committees will in the next session provide authorizations in time for us to consider them on their merits. We delayed the supply bills as long as possible. It is our regret that we could not have included items of great importance to the country because they were not yet authorized.

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

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

Mr. BATES. Mr. Chairman, in view of the colloquy had here today, I shall not offer an amendment, but I sincerely trust that this item will be accepted in the conference.

Mr. PRICE. Mr. Chairman, I move to strike out the requisite number of words.

FUNDS NEEDED FOR THE AEC FOOD IRRADIATION PROGRAM

Mr. Chairman, on March 6 and 7, 1962, the Subcommittee on Research, Development, and Radiation held hearings to review the Atomic Energy Commission and Army food irradiation programs. Since 1960 the Army Quartermaster Corps has been working on high dose sterilization of food, and the AEC has been assigned responsibility for the low dose pasteurization program.

Testimony received during the hearings showed that considerable technical progress has been made. The Department of the Army, for example, has submitted to the Food and Drug Administration a request for final approval for regular use of irradiated bacon. In Canada, potatoes are being commercially processed by means of cobalt irradiation. One scientific expert testified that, in his opinion, Canadian authorities approved the use of irradiated potatoes for consumer consumption on the basis of technical data developed within the United States.

During the course of the hearings held before my Subcommittee on Research, Development, and Radiation in March of this year, Dr. Bernard Schweigert, of the Michigan State University, had this to say about the importance of the AEC food irradiation program:

> It has come to my attention that no provision for support of the radiation pasteurization of foods program has been made in the budget that has been submitted to Congress. The profound implications of such a step to the research program on peacetime use of atomic energy, to the impact on understanding and leadership relationships with scientists and other international leaders, and to benefits to society in general merit reevaluation.
>
> The implications of the recommendations to terminate this program go far beyond any possible scientific question on the program's merit. It will be recalled that a critical public relations problem occurred with leaders in the United States and in other countries some years ago when the Quartermaster program was reappraised.
>
> Any action by the United States to drop the support of a scientific program initiated only a few years ago and when preliminary promising results were being obtained, is indefensible from a scientific standpoint in my judgment. One of the greatest issues of our time is the improvement in the preservation of food for the rapidly expanding world population."

Another witness, Dr. Samuel Goldblith, of the Massachusetts Institute of Technology, predicted:

> Within the next 12 to certainly the next 18 months we are going to have definitive data to present to industry, to all interested parties: "These are the data and this is what the process will do, and these are the data on the wholesomeness and so on. Here is a process. Do you want it or don't you?"

During the hearings references were made to the part the AEC food irradiation program has in the atoms-for-peace program and the adverse effect the cutback will have in the overall program. Of pertinent significance was the fact that Dr. Glenn T. Seaborg, Chairman of the Atomic Energy Commission, in a speech before the International Atomic Energy Agency in Vienna on September 27, 1961, drew attention to the U.S. belief in the program and commended it to the Agency. He stated:

> My Government would like especially to commend to the Agency the study of low dose radiation as a means of preserving food. The development of this technique could significantly improve the distribution of wholesome and nourishing food to many areas of the world. My own country recently initiated a 5-year research program in this area. The Agency, in cooperation with international organizations such as the Food and Agriculture Organization, might profitably undertake such research, convene meetings, arrange for expert advice, and furnish radiation sources. The Agency may be especially effective in establishing research centers in this field, with special consideration for those countries having limited scientific and financial resources and which are most likely to benefit. My own Government is prepared to support the Agency in developing such a program. I note that the Food and Agriculture Organization, the World Health Organization, and the Agency are sponsoring a conference in Brussels on the evaluation of the wholesomeness of irradiated foods.

We were pleased to find out that the Department of the Army, during the past 2 years, has become an enthusiastic supporter of the Quartermaster Corps' food irradiation program. The committee ascertained, however, that the AEC's complementary low-dose program was in jeopardy. The AEC had programed $2.8 million for food irradiation work for fiscal year 1963, which funds were eliminated in total by the Bureau of the Budget. It was brought out during our hearings that the Bureau of the Budget deleted these funds because of overriding priorities of the space program. When we announced the committee's intention to hold hearings, the Commission decided to attempt to carry on its program through the transfer of $500,000 of operating funds from other projects.

On the basis of the Joint Committee's review of AEC and Army food irradiation programs, through its Subcommittee on Research, Development, and Radiation hearings of March 6 and 7, 1962, and AEC authorization hearings by the Subcommittee on Legislation in May 1962, the Subcommittee on Legislation has added the following two line items to the AEC's fiscal year 1963 authorization bill:

Project 63-j-2, marine products development irradiator	$600,000
Project 63-j-3, two mobile irradiators	700,000

These were originally included in and recommended by the Commission in its fiscal year 1963 budget on the basis of technical and scientific needs. The Joint Committee accordingly recommended that they be included in the fiscal year 1963 authorization bill.

In addition to the $1.3 million for the irradiators an operating budget of $1.4 million is needed to adequately support this important program.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. GROSS: On page 4, line 15, strike out the figure $762,361,000" and insert "$760,861,000."

Mr. GROSS. Mr. Chairman, I will make this very brief. My amendment would strike out the $1,500,000 for a yacht harbor, or a yacht basin, in connection with the New York World's Fair. I was under the impression and I am sure many other Members of the House were under the impression when the House voted $17 million for the New York World's Fair that the sponsors would not

be back with their hands in the pockets of all the taxpayers for more money. I reiterate that all my amendment does is take out the $1,500,000. I hope the Members will support it in the interest of economy.

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

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

Mr. DELANEY. This amount is not in support of the World's Fair. It is merely coincidental. Flushing Bay is being dredged. It is a permanent improvement for that area. All that was done here was to advance it so that the dredging would not take place at the exact same time the World's Fair was in progress. It has been authorized.

Mr. GROSS. There is some question about whether it has been authorized.

Mr. DELANEY. I mean, it is in the authorization bill.

Mr. GROSS. I do not believe the authorization bill has been passed.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman from Iowa yield?

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

Mr. ROONEY. Of course this appropriation is authorized. According to the Corps of Engineers, this project has a benefit-to-cost ratio of 3.3 to 1. This appears at page 1079 of the printed hearings, part 5. Further, the local contribution to the Federal project will be in the amount of $1,154,000.

Mr. GROSS. But it still is a yacht basin to be used in connection with the World's Fair.

Mr. ROONEY. That is correct, to a certain extent. It is only a small part of the justification.

The details are contained in this letter from the Honorable Robert Moses under date of May 14, 1962, addressed to the distinguished gentleman from Missouri [Mr. CANNON]:

DEAR CONGRESSMAN CANNON: I request that there be included in the Army civil functions bill for the fiscal year 1963 a sum to accomplish the Flushing Bay and Creek project in time for the New York World's Fair which will open on April 22, 1964.

The project is in progress of modification pursuant to resolution of the Committee on Public Works, House of Representatives, dated June 7, 1961. The district and division engineers and the Board of Engineers for Rivers and Harbors have recommended favorably on the improvement. I have been assured that the report will shortly reach Congress and will be included in the river and harbor omnibus bill now before the Public Works Committees of Congress.

The improvement proposed, in brief, provides for the deepening of the channel and maneuvering area from 12 to 15 feet mean low water; the widening of the bay channel from 200 to 300 feet; increasing the present 8-foot anchorage to 84 acres at 6-foot depth; and construction of a breakwater. The improvement is described in greater detail in the attached copy of public notice, dated April 18, 1962, issued by the Acting Division Engineer, North Atlantic Division.

The estimated Federal cost is $2,315,000, including $622,000 for completion of the existing project to authorized depth. The local contribution, which is 50 percent of the recreational features, is estimated at $1,154,000. The project is sound, it has a benefit-cost ratio of 3.3, it will meet the present and growing needs of the community, and its timely accomplishment is essential to the waterway approach to the New York World's Fair in 1964–65 by private boat and commercial water transportation.

In addition to the local contribution of $1,154,000 to the Federal project, there will be expended $4,500,000 by the State, city, fair, and private interests for the largest marina and boating center (2,000 boats) on the east coast, for shore line rehabilitation, pollution abatement, and for miscellaneous dredging beyond the limits of the Federal project. Commercial interests have just completed, at a cost of several million dollars, a new bulk cement distribution plant on the creek, and other commercial improvements are contemplated.

I recognize that seeking an appropriation prior to authorization is unusual. However, I believe the circumstances warrant the request. At least a year will be required to do the dredging and construct the breakwater after the Corps of Engineers receive the funds. Assuming that fiscal year 1963 money will be available by September 1962, the work could be done by September 1963. We cannot wait for the fiscal year 1964 appropriation bill. The work would then not be completed until September 1964, or 5 months after the fair opens on April 22.

The city of New York and the fair corporation are prepared to promptly fulfill all the items of local cooperation. The local contribution has been budgeted for and will be forthcoming promptly upon notice of Federal appropriation. I urge that you include in the Army civil functions bill for fiscal year 1963 $2,315,000 for the Flushing Bay and Creek project subject to authorization in the current river and harbor omnibus bill.

Respectfully yours,

ROBERT MOSES,
President.

Mr. BOLAND. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would hope the Committee would not accept the amendment. This is a project, as the gentleman from New York said, which is connected with the World's Fair, but it is only coincidental with it. The project was originally authorized back in 1925 and built in 1937. This project calls for the deepening of the present channel from 12 to 15 feet. Authorization for this 3-foot additional depth is before the Public Works Committee. This is something which is not new. I am talking specifically about recreational facilities. We have this in a great number of States all over the Nation. We ought to do it for New York I am sure, as all members of this Committee recognize, that New York certainly pays its share of the taxes that go to support our Government. Here is a project which is being built in connection with the World's Fair. We did authorize the expenditure of some $17 million and appropriated $17 million for a building at the World's Fair. This is a separate item, and I hope the Committee will not accept the amendment offered by the gentleman from Iowa. This area is entitled to this project, and I sincerely hope the Committee votes the amendment down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

Mr. KLUCZYNSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am very glad to see that the Appropriations Committee included an item of $700,000 for repair and rehabilitation of the Illinois and Mississippi Canal for recreation purposes. This is a project which has been dear to my heart. As a member of the Public Works Committee, I had considerable responsibility in securing its adoption. Unfortunately, however, there appears to have arisen some misunderstanding with respect to the present situation, particularly that concerning efforts being made by our Governor, the Honorable Otto Kerner. I would like to set the record straight on this matter by supplying the following information.

The Illinois and Mississippi Canal is a long-abandoned waterway of the United States which has become obsolescent. Because of the heavy cost of maintaining this obsolete waterway and keeping it in a safe condition, and because of the fact that portions of the waterway offered potentially valuable recreational possibilities, a report was made by the Corps of Engineers in which it was recommended that the canal be abandoned as a commercial waterway and turned over to the State of Illinois for development as a recreational facility. The cost of putting the canal in shape for such a transfer was estimated at $2 million. This was included as a project in the 1958 omnibus river and harbor and flood control bill, Public Law 85–500. As a member of the House Public Works Committee I followed the history of this, as the project was presented to the committee and made every effort in my power to secure favorable consideration by the committee and eventually by the Congress. Much of the work has been done and the amount of $700,000 in the pending appropriation bill will represent a major step toward completion of this project.

In view of the increasing demand for recreation in the State of Illinois of which the Governor and I are equally aware, it has been considered that the Corps of Engineers might possibly be requested to review their previous reports with a view to determining whether or not work could be done on the canal, beyond that contemplated in the original legislation, which might put it in a better position to be used as a base for a full-fledged recreational development. There was no thought of any restudy of the canal for a possible development of a through commercial waterway. After conferences and discussions on this matter, the chairman of our committee, the Honorable CHARLES A. BUCKLEY, of New York, at my request, asked the Chief of Engineers for his views on the desirability and cost of a study for the purpose of rehabilitating the canal for recreational purposes. Subsequent to that request, and prior to any reply from the Chief of Engineers, the Governor wrote me a very complete and detailed letter on August 2 of this year reaffirming the situation as I have outlined it above.

In order to give the Chief of Engineers all information in his consideration of the matter, the chairman of the committee, at my request, forwarded a copy of the Governor's letter to the Chief of Engineers. On August 14, 2 days ago, I wrote to the Governor acknowledging

his letter and explaining that the committee was requesting the views of the Chief of Engineers on a proposed further study. When the comments of the Chief of Engineers are received by the committee I will study them very carefully and request the chairman to take whatever action seems appropriate.

I can assure you, Mr. Chairman, and all interested Members that I will not take any action which would result in halting any of the work being carried on under the existing project. Any statements made to the contrary are based on lack of accurate information and misunderstanding of the situation as it exists. If it appears that further studies are appropriate which will not interfere with the work now being undertaken, I will make every effort to see that such studies are authorized by our committee and funded when necessary.

I want to emphasize my statement that the project in which I have been so interested will not be stopped and that the best course of action, which will be dependent to some extent upon receipt of the views of the Chief of Engineers, will be followed for the welfare of the people of the State of Illinois in the preservation of this great historic and potentially valuable facility.

The Clerk read as follows:

GENERAL EXPENSES

For expenses necessary for general administration and related functions in the Office of the Chief of Engineers and offices of the Division Engineers; activities of the Board of Engineers for Rivers and Harbors and the Beach Erosion Board; commercial statistics; and miscellaneous investigations; $13,580,000.

Mr. PERKINS. Mr. Chairman, I move to strike out the last word.

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

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

Mr. CANNON. Mr. Chairman, reserving the right to object, the subject matter under discussion between the two gentlemen is completely extraneous to the pending bill, and is not in order and is an imposition on the House and I, therefore, regret that I must object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk read as follows:

ADMINISTRATIVE PROVISIONS

Appropriations to the Bureau of Reclamation shall be available for purchase of not to exceed seventy-two passenger motor vehicles for replacement only; purchase of two aircraft for replacement only; payment of claims for damage to or loss of property, personal injury, or death arising out of activities of the Bureau of Reclamation; payment, except as otherwise provided for, of compensation and expense of persons on the rolls of the Bureau of Reclamation appointed as authorized by law to represent the United States in the negotiation and administration of interstate compacts without reimbursement or return under the reclamation laws; rewards for information of evidence concerning violations of law involving property under the jurisdiction of the Bureau of Reclamation; performance of the functions specified under the head "Operation and Maintenance Administration", Bureau of Reclamation, in the Interior Department Appropriation Act, 1945; preparation and dissemination of useful information including recordings, photographs, and photographic prints; and studies of recreational uses of reservoir areas, and investigation and recovery of archeological and paleontological remains in such areas in the same manner as provided for in the Act of August 21, 1935 (16 U.S.C. 461–467): *Provided*, That no part of any appropriation made herein shall be available pursuant to the Act of April 19, 1945 (43 U.S.C. 377), for expenses other than those incurred on behalf of specific reclamation projects except "General Administrative Expenses" and amounts provided for reconnaissance, basin surveys, and general engineering and research under the head "General Investigations".

Mr. FASCELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the distinguished chairman of our Appropriations Committee has done an excellent job on a very large and important bill. All of us represent the great interest of our people back home in the vital public works projects which Chairman CANNON's bill will move forward to completion.

The Fourth District of Florida is gratified at the favorable consideration given its projects by the hard-working members of the Appropriations Committee. The total budget request to initiate and complete vitally needed flood control measures within our State was approved. Records compiled by the Central and Southern Florida Flood Control District show that the partially completed works of this project, now about one-third complete, have already prevented over $84 million in flood damage; this is more than has been appropriated by the Federal Government to date and is proof of the high benefit-cost ratio of the State's flood control project. Included in the $13,500,000 approved for flood control in Florida this year are funds to complete Little River Canal extension and Black Creek Canal in Dade County, and continuation of levees encirclement of conservation area No. 3 in Dade and Broward Counties.

Also approved by the committee as requested by the President, is $800,000 to continue the Intracoastal Waterway from Jacksonville to Miami. It is estimated these funds will allow for dredgmg of the waterway from south of West Palm Beach to a point about 5 miles north of Boca Raton.

I am very pleased that the full budget request of $400,000 for construction of the Miami Harbor has been approved by the committee. Even with the existing facilities which are totally inadequate and outmoded, the port of Miami according to a recent survey, is the second largest cruise passenger port in the United States; cargo tonnage passing over these facilities has increased approximately 75 percent since October 1957. With the tremendous increase in population in the south Florida area and with the stepped-up industrial activity which we have been witnessing in recent years, early completion of this new port facility becomes increasingly important. I am proud of the fine progress which has been made thus far on this construction and am further pleased to report that local interests have already contributed about three-fourths of the required local contribution.

Another approved project on which funding is getting underway in this bill is the Bakers Haulover Inlet in my district. The bill carries $15,000, as requested by the President, for preconstruction planning. Hurricane Donna in 1960 and the numerous and severe storms which have occurred since that time have caused such deterioration at this inlet that navigational benefit of the north and south jetties there has been entirely dissipated. The approved project provides for the reconstruction of these jetties.

The county has already spent $110,000 on various maintenance projects; it is still spending money to keep the situation in hand but these makeshift efforts are ineffective and very costly. From an engineering standpoint, only reconstruction of the entire north wall, which is the minimum now required to prevent real disaster to the county's park property, restaurant, and even roads and bridges, can justify additional expenditures of effort and money. Local interests feel, and I support them in their position, that in light of the existing authorization, it is necessary and sensible to consider allowing for this reconstruction during this coming year. The Corps of Engineers estimates they do have a $40,000 construction capability for this project during the coming year.

I hope this matter will receive additional consideration in the Senate when it is called up. Guarantees have already been submitted to the Corps of Engineers that the county is ready, willing, and able to provide all of the local contributions needed to match any additional Federal funds that may be forthcoming to undertake this badly needed construction. The county has made $100,000 immediately available for this purpose.

I take this opportunity to assure the committee of the gratitude of the people of my district for the careful and thorough consideration they have devoted to public works projects in south Florida. The gentleman from Missouri, Chairman CANNON, and his committee have always been extremely cooperative and helpful in granting full opportunity for review of our authorized projects which need early funding, and the residents of south Florida join me in this expression of thanks.

The Clerk concluded the reading of the bill.

Mr. CANNON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOGGS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Saint Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions for the fiscal year ending June

30, 1963, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. CANNON. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

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

The SPEAKER. The question is on the passage of the bill.

Mr. GROSS. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were refused.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed prior to the vote on the bill.

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

There was no objection.

EXTENSION OF REMARKS

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that my second remarks made in the Committee of the Whole, and out of order, be included with the original remarks I made in consecutive order.

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

There was no objection.

PERMISSION TO FILE REPORTS

Mr. SISK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

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

There was no objection.

PERMITTING FOR 1 YEAR THE GRANTING OF NATIONAL SERVICE LIFE INSURANCE TO CERTAIN VETERANS HERETOFORE ELIGIBLE FOR SUCH INSURANCE

Mr. SISK, from the Committee on Rules, reported the following privileged resolution (H. Res. 763, Rept. No. 2242), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12333) to amend title 38, United States Code, to permit, for one year, the granting of national service life insurance to certain veterans heretofore eligible for such insurance, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Veterans' Affairs, the bill shall be considered as having been read for amendment. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Veterans' Affairs now in the bill. No other amendment to the bill or committee substitute shall be in order except amendments offered by direction of the Committee on Veterans' Affairs, and said amendments shall be in order, any rule of the House to the contrary notwithstanding, but such amendments shall not be subject to amendment. At the conclusion of such consideration, the Committee shall rise and report the bill to the House, with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit with or without instructions.

Mr. FORD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. FORD. Mr. Speaker, is my understanding correct that the gentleman from California is moving for the consideration of the rule, and if this is approved by a two-thirds vote, then we will consider the rule, which also has to be approved by a two-thirds vote. Also is the rule granted by the Committee on Rules in reference to H.R. 12333 a closed rule with a motion to recommit with instructions?

The SPEAKER. The resolution has not been reported as yet, and the gentleman from California has not yet made a motion; but, assuming the gentleman from California offers a motion for the present consideration of the resolution, the question of consideration would be submitted to the membership without debate and a two-thirds vote would be necessary to consider the resolution. If the question of consideration was decided in the affirmative the resolution would then be considered under the regular rules of the House, providing 1 hour of debate, one-half of the time to be assigned to the member of the Rules Committee on the minority side in charge. At the termination of the hour, there would be a majority vote on the adoption of the rule.

Mr. FORD. I thank the Speaker. I appreciate his consideration and explaining the parliamentary situation.

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 763, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12333) to amend title 38, United States Code, to permit, for one year, the granting of national service life insurance to certain veterans heretofore eligible for such insurance, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Veterans' Affairs, the bill shall be considered as having been read for amendment. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Veterans' Affairs now in the bill. No other amendment to the bill or committee substitute shall be in order except amendments offered by direction of the Committee on Veterans' Affairs, and said amendments shall be in order, any rule of the House to the contrary notwithstanding, but such amendments shall not be subject to amendment. At the conclusion of such consideration the Committee shall rise and report the bill to the House, with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit with or without instructions.

The SPEAKER. The question is, Will the House now consider House Resolution 763?

The question was taken; and (two-thirds having voted in favor thereof) the House agreed to consider House Resolution 763.

Mr. SISK. Mr. Speaker, I yield to the gentleman from California [Mr. SMITH] 30 minutes and, pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 763 will make in order the consideration of H.R. 12333. It provides for 1 hour of general debate and for a closed rule.

Mr. Speaker, this bill is now before us and, as amended, would authorize for a 1-year period only the granting of national service life insurance to veterans heretofore eligible to apply for such insurance before October 8, 1940, and December 31, 1956, inclusive. The 1-year period during which eligible veterans could purchase the insurance would begin 1 year after the date the bill is enacted.

Mr. Speaker, there are two types of insurance which will be issued under this bill. One to persons in good health, and another to persons whose service-connected disability would be compensable if 10 percent or more in degree. However, most types of insurance would be nonparticipating. There would be no dividends; only permanent life insurance could be purchased. There would be no term insurance.

Mr. Speaker, in other words, the bill is very limited in its scope, but it does make it possible for this 1-year period for veterans to secure in this limited fashion national service life insurance.

Mr. Speaker, I urge the adoption of House Resolution 763 to permit debate upon this bill, and I reserve the balance of my time.

Mr. SMITH of California. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I think we are faced with somewhat of a complicated situation here today which is a little bit like playing musical chairs insofar as I am concerned. But in any event, permit me to try to tell the Members of the House how I understand the situation.

Mr. Speaker, a week ago Monday we had this bill scheduled for consideration on the Suspension Calendar. At that time it was removed and sent to the Rules Committee. Yesterday afternoon

we were notified—the members of the Rules Committee—that this bill would be heard today in the Rules Committee. It was heard today, and we granted a rule on the bill providing for 1 hour of debate, with a closed rule, with the exception of one motion to recommit.

Mr. Speaker, the reason why we granted a closed rule was because at the particular time we understood that probably the House will now adjourn after today until a week from this coming Monday so people can go home and see their families and so forth and so on. But in any event the closed rule was granted because we were a little bit concerned as to whether or not, if we left it as an open rule, it would open up the complete subject of veterans' affairs. Some of us felt it would not, that it would be strictly confined to the insurance sections. But in any event, in order to take care of that question we granted a closed rule, with one motion, a motion to recommit.

I understand the gentleman from Ohio [Mr. AYRES] will offer a motion to recommit the bill to the committee with instructions that the language be changed to limit it to insurance for service-connected disability cases. As I understand it—and I shall ask some questions of the chairman of the committee, the gentleman from Texas [Mr. TEAGUE], later on to verify this—the gentleman from Texas is in favor of the motion to recommit. In any event, Mr. Speaker, we are considering this particular bill, H.R. 12333, under a rule providing for 1 hour of general debate. It is a closed rule with the exception of permitting a motion to recommit.

Mr. Speaker, in reviewing this particular subject, may I state that in April 1951 the 82d Congress enacted Public Law 23 which, among other things, terminated the sale of national service life insurance to veterans of World War II. Now, more than 11 years later, the pending bill, H.R. 12333, will reopen the sale of this Government life insurance, not only to World War II veterans, but also to millions of other veterans who served in the Armed Forces between the end of World War II and January 1, 1957. All told, H.R. 12333 will make NSLI available to a group of approximately 16 million veterans, the vast majority of whom have no service-connected disabilities.

During my tenure as a member of the Committee on Veterans' Affairs—and I say to the gentleman from Texas [Mr. TEAGUE] that I have the greatest respect for him and I am certain every Member of the House has the greatest respect for him—this was a problem that we had over many years. The committee on several occasions thoroughly considered and rejected a large number of very similar bills after full and fair public hearings had been held on the merits—bills similar to the one we are considering today.

My recollection is that these previous bills were rejected principally because the committee felt that it was neither an obligation nor a proper function of the Federal Government to make Government life insurance available to veterans, other than those who because of service-connected disabilities cannot buy their life insurance from private insurance companies at normal rates. It is my further recollection that the last three administrations have consistently voiced strong opposition to all such NSLI reopening bills in principle, insofar as they affected nonservice-disabled veterans.

My recollections are confirmed in most important respects by a memorandum dated March 22, 1962, prepared by the Committee on Veterans' Affairs. While this memorandum deals primarily with the subject of service-connected compensation increase bills, it also contains some very significant and revealing facts about the history of NSLI reopening legislation which I feel should be brought to the attention of this body today. For example, here is some information in this memorandum:

> There are few pieces of legislation which have received as much consideration as the proposal to reopen the national service life insurance program, despite the claims of its Senate sponsor that the bill has not had fair consideration. The Committee on Veterans' Affairs has in the 82d, 83d, 84th, 85th, and 86th Congresses held hearings on proposals to reopen the national service life insurance program.
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> In each instance these bills have been rejected by the Subcommittee on Insurance. The Veterans' Affairs Committee has held hearings on these proposals in the 1st session of the 87th Congress and all interested groups were afforded an opportunity to present their views. The Veterans' Affairs Committee met in executive session on August 10, 1961, and voted to table all pending insurance bills.

The memorandum also states that the "proposal to reopen the national service life insurance program is opposed by the administration." It is made clear in the memorandum that the administration opposition referred to was consistent under Presidents Truman and Eisenhower and was continued under President Kennedy, at least as recently as March 22, 1962, the date of the memorandum.

Against this background of continuous opposition of NSLI reopening legislation on the part of the Veterans' Affairs Committee and three administrations for more than a decade, we find the committee has now favorably reported, and the present administration apparently now supports the pending bill, H.R. 12333. Since this bill is basically the same as the many NSLI bills that the committee and the administration have heretofore opposed, I for one am frankly mystified by what appears to be a sudden about-face on their part.

Mr. Speaker, I would like at this time to ask the chairman of the committee, the gentleman from Texas [Mr. TEAGUE], a few questions about this bill, if I may, in the hope that he can shed some much needed light on this important and controversial issue.

First, am I correct in my understanding that the principal, if not the only, reason why the administration consistently opposed and the Committee on Veterans' Affairs consistently rejected NSLI reopening legislation on numerous occasions prior to this year was essentially that both the administration and the committee believed that, as a matter of principle, it was neither an obligation nor a proper function of the Federal Government to make commercial-type life insurance available to veterans whose insurability has not been impaired by reason of service-connected disabilities?

Mr. TEAGUE of Texas. I think the gentleman is correct. I think the whole trend since the war has been to get the Government out of the insurance business.

Mr. SMITH of California. Recognizing that H.R. 12333 differs in numerous details from the NSLI reopening bills that your committee and the administration rejected in the past, in your personal opinion does the present bill differ in basic principle from previous bills insofar as it would apply to non-service-disabled veterans?

Mr. TEAGUE of Texas. I think every bill until this has included men now in service, which would pyramid survival benefits. This bill pertains only to permanent programs, 20- or 30-year programs. There is nothing in here about term insurance.

Mr. SMITH of California. There is nothing in here about term insurance? The gentleman agrees there should not be term insurance?

Mr. TEAGUE of Texas. I certainly do. I have been opposed to term insurance ever since I have been here.

Mr. SMITH of California. Then, am I correct in my understanding that if H.R. 12333 is enacted, the Federal Government will, for all practical purposes, become engaged in another business, that of selling commercial-type life insurance to able-bodied veterans?

Mr. TEAGUE of Texas. That is correct.

Mr. SMITH of California. Is it not true that the premium rates charged by private life insurance companies compare rather favorably with the rates that would be charged for the various types of NSLI provided for by H.R. 12333, despite the fact that the NSLI program would enjoy what amounts to a tax subsidy?

Mr. TEAGUE of Texas. This bill as reported, provides that the veteran would pay for all medical exams and administration costs. The insurance is nonparticipating. There is no dividend. Any surplus would go back into the Treasury of the United States.

Mr. SMITH of California. Would it not also be true in many cases that if a veteran bought one of the proposed new NSLI policies and was thereafter called back into service and died while on active duty, this insurance would not pay off, whereas his beneficiaries would still collect on any private life insurance that he owned?

Mr. TEAGUE of Texas. That is correct, but the gentleman knows when they are in service they are covered by the Survivors Benefits Act which provides monthly payments of $112 plus 12 percent of the base pay of the person who served.

The SPEAKER. The time of the gentleman has expired.

(By unanimous consent, Mr. SMITH of California was allowed to proceed for 5 additional minutes.)

Mr. SMITH of California. Do you personally feel that the able-bodied veterans who would be affected by this bill have suffered any real hardships by reason of the fact that NSLI has not been available to them?

Mr. TEAGUE of Texas. The gentleman knows I have never been for this insurance.

Mr. SMITH of California. Do you personally believe that the Government should undertake to sell these veterans their life insurance any more than the Government should undertake to sell them other forms of insurance, such as property and casualty insurance, and the like?

Mr. TEAGUE of Texas. I do not.

Mr. SMITH of California. Can you tell me why the administration has reversed its stand, as well as the stand of the Truman and Eisenhower administrations, on NSLI reopening legislation?

Mr. TEAGUE of Texas. That is a long story, if the gentleman wants me to tell it. We passed a compensation bill last year. It went to the other body and the other body has refused to pass it without an insurance rider, and they say they will continue to so refuse to pass it until there is some action taken on this floor on an insurance bill. So, actually, what I am trying to do is to pass a compensation bill here today. I am happy to say that H.R. 10743 has been reported by the Finance Committee without change and I hope the other body will soon pass it and send it to the White House.

Mr. SMITH of California. I understand the committee refused to include term insurance in the bill which we had before us, but the Senate Finance Committee has included term insurance. If this legislation passes, can we expect that the House conferees of the Committee on Veterans' Affairs will insist on the position we might take here today?

Mr. TEAGUE of Texas. I would not attempt to speak for the conferees, I will say to the gentleman; my personal position will not change so far as term insurance is concerned.

Mr. SMITH of California. On the motion to recommit, which I understand, with instructions, will be offered by the gentleman from Ohio [Mr. AYRES]; am I correct in stating that you are in support of that particular motion to restrict this legislation to service-connected disabled veterans?

Mr. TEAGUE of Texas. I intend to vote for a motion to recommit with instructions which will strike everything from the bill except service-connected disabled.

Mr. SMITH of California. And although we cannot guess or determine how many may apply for this insurance in the next year, I understand there are about 6 million now insured, all wars, and, actually, it would open it to approximately 15 million additional veterans, if they decided to apply; is that correct?

Mr. TEAGUE of Texas. That is correct.

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

Mr. SMITH of California. I yield to the gentleman.

Mr. LIBONATI. As a matter of fact, this bill does not contemplate any expenditures of money by the Government; is that not true?

Mr. SMITH of California. As I understand it, there will be administrative costs of something a little over $7 million in the first year, but as time goes on that money is supposed to be repaid so that, actually, the statements made before the Rules Committee are to the effect that it will not cost the Government any money.

Mr. LIBONATI. And with reference to the 3-percent figure retained for administrative costs—that amounts to about $5 a year per policy; is that not correct?

Mr. SMITH of California. That is correct.

Mr. LIBONATI. As a matter of fact, in eliminating those who are not service connected from this bill and excluding those persons, you are contemplating a more unsettled financial situation so far as the service-connected veterans are concerned; are you not?

Mr. SMITH of California. I am afraid I do not follow the gentleman's question.

Mr. LIBONATI. If service-connected disabled veterans are insured under this bill, they cannot procure any insurance from private insurance companies; is that not so?

Mr. SMITH of California. I do not know, but an individual might have an injury and there might be many insurance companies that do insure individuals who might have some disabilities.

Mr. LIBONATI. But the majority of them would be disqualified by the doctor's certificate as to such disability; would they not?

Mr. SMITH of California. May I simply state this, so far as I am concerned, I think the Federal Government should offer insurance and do everything the Government possibly can for any service-connected disabled veteran. In my own opinion, there is not too much that the Government can do for them, and I am for that. On your question as to eliminating them, I cannot answer that.

Mr. LIBONATI. Does the gentleman from California feel that this position that is being taken today on recommitting the bill with a crippling amendment is purely to protect the insurance companies; is that not so?

Mr. SMITH of California. I could not make any such statement as that.

Mr. LIBONATI. What other reason would you give for not permitting a group of servicemen to support and carry on a program such as this which is self-liquidating where their premiums would pay for the expense of administrative costs and where they could be insured at a low rate. What other reasons would you have for recommitting this bill, which was voted out of the committee unanimously?

Mr. SMITH of California. Basically, I favor private enterprise. I would not reopen this at this time to 16 million people who are potential customers for private enterprise.

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

Mr. SMITH of California. I yield to the gentleman.

Mr. MICHEL. I think the only point that the gentleman from Illinois is trying to make is that if the motion to recommit is limited to veterans with a service-connected disability, I think it should be pointed out that those premiums for insurance to service-connected disabled veterans are pegged at a higher level than for those who would not have a service-connected disability and is on an actuarial basis. Would that not be true, I ask the chairman.

Mr. TEAGUE of Texas. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman.

Mr. TEAGUE of Texas. The service-connected would pay the same price that the World War II service-connected paid, but this includes 100-percent disabled; World War II did not go above 90 percent.

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

Mr. SMITH of California. I yield to the gentleman.

Mr. KUNKEL. How do the rates compare in the private insurance companies for the same types of insurance?

Mr. SMITH of California. The question is, How do the rates compare with the same type of private insurance company rates? I am inclined to think, and I will check with the gentleman from Texas [Mr. TEAGUE], but I am inclined to think that the way the bill is written, the chances are that they can obtain private insurance at about the same cost that this bill would provide. Is that statement reasonably correct?

Mr. TEAGUE of Texas. Under the reported bill it is somewhat cheaper, not any great amount for the average six companies, $281.86 per year for $10,000; under the bill it would be about $35 less annually.

Mr. SMITH of California. Mr. Speaker, if the rule is adopted and the bill is considered, I hope the motion to recommit will be supported.

I now leave it in the hands of my good chairman, the gentleman from Texas [Mr. TEAGUE].

Mr. SISK. Mr. Speaker, I now yield to the gentleman from Mississippi [Mr. COLMER] 3 minutes.

Mr. COLMER. Mr. Speaker, I am very grateful to my colleague for his

gracious apportionment of time here; as a matter of fact, I do not know that I need the whole 3 minutes, but I think before I am through I may ask for an additional couple of minutes, since the time is so limited here for debate.

Mr. Speaker, I take this time merely to point out to this House again what you are doing here today. At the beginning of this session you added to the Rules Committee; you said you wanted the House to work its will. Some people call that packing or stacking the Rules Committee in order to get that obstreperous body in line so that the House could consider legislation it wanted and not be cut off and gagged. Yet, today, on a veterans' bill that affects over 16 million veterans, according to the statement here, you are calling up a bill that this generous Committee on Rules has voted out, the packed committee, if you will, that does not give you an opportunity to debate this thing for more than a couple of hours—and I am not sure it gives you that much—and to offer no amendments. If that is not gagging, I do not know what gagging is. If that is giving the House an opportunity to work its will, I do not know what that term means, either.

I am merely protesting here this growing tendency on the part of the liberal Committee on Rules to bring out gag rules. We brought one out last year on the postal bill. I opposed it in the committee and I opposed it on the floor. As a matter of fact, by one vote in committee we voted out an open rule on my motion, but then somebody moved to reconsider and we got the committee back together and in less than an hour we voted out a closed rule.

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

Mr. SISK. Mr. Speaker, I yield the gentleman from Mississippi 5 additional minutes.

Mr. COLMER. I thank my liberal friend for his liberality.

I came down here in the well of the House on that occasion and pointed out to you what you were doing, and some of you, remembering what you had done before, reversed that position and we considered that bill under an open rule by voting down the previous question. Some people around here think of me and refer to me as a conservative, I have never denied that I am. But when it comes to matters of procedure in this House, I am a true liberal. I have not yet voted for a closed rule. I did not vote for this one.

I might mention that in the committee I was for reporting out an open rule and giving the House an opportunity to work its will.

I think we are all grown up. I think we know how to legislate and vote. I I do not think we have to be gagged. A lot of these veterans back home too are grown up enough to know what is going on around here. So do not think you are putting anything over on anybody by this gag rule.

I am not going to ask you, as I did on the postal bill, to vote down the previous question. You made your bed, now lie in it. But I want to point out to you just exactly what you are doing and the growing tendency on the part of this liberalized Rules Committee to report out gag rules.

Mr. SISK. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. LIBONATI].

Mr. LIBONATI. Mr. Speaker, the sole purpose of this bill is to permit those veterans who have dropped their insurance after they came out of the service to reinstate their insurance.

As you will recall, the average of those who served in World War II was 19 years. We realize that whatever premiums they would have to pay after leaving the services they were unable to pay, just as those who served in World War I.

We did take the term insurance out of this bill. The Veterans Committee voted that out, and approved the action. The term insurance is removed so that we would not disqualify the general business trend of private business.

Unfortunately, some people think that by closing this avenue of insurance they benefit the private insurance corporations. In reality, when you open up insurance to people, even under this closed rule, you create a sentiment and a confidence in these same individuals for private insurance—insurance for the education of their children, insurance for whatever possessions they may have, and in all other fields of insurance. That was proven after the first war, that it was a stimulation to the insurance business.

Leading insurance men spoke before our committee who are Members of the House and stated they felt the same way about this question. This opens up insurance 5-year level premium term, 20-year endowment at age 60 and 65, 30-payment life, and ordinary life.

I do not see any reason why this Congress should prevent a group of veterans from reinstating their policies, if they show good health, under the same terms in an independent relationship to their classified groups. I think a great criticism would result if you defeat this bill. You would place upon the House a threat of defamation of honesty of purpose, you will not be serving these young servicemen who are able to pay the minimum premiums, you are mitigating against them because of private interests or private corporations. I do not accuse anybody. I am a friend of the chairman of my committee. I think he is honest and sincere and I have no doubt about his integrity. But I think he has made a mistake by making this move on the floor of the House. No one could attest to the fact that by changing the rules now you weaken the fund by limiting it to the service-connected disabled.

You may be called upon to replenish that fund, if in accordance with the medical situation they will succumb earlier than was expected under actuary tables.

Most of them cannot get private insurance companies now to issue policies because of their physical condition. I say to you that it is a reflection upon the integrity of this House to defeat this bill by recommitting it with a crippling amendment and destroying its general purpose.

Mr. Speaker, every service organization—every national veterans' service organization—has asked for this relief for many years. Now we have an opportunity to give them what they so justly deserve; because of the conditions that they found themselves in subsequent to the war they were not able to continue payments on their policies. The committee took out the term insurance on the bill because it was shown that in World War I some had to pay as high as $16,000 on a $10,000 insurance policy, and that included General "Black Jack" Pershing. So, we realize that later on in life they would also be confronted with these high premiums of $57.50 a month, which is more than one can be expected to pay under term insurance. So we gave them this general health type of insurance with the provision that all expenses be taken out by the Government for the administration of the act, and all surplus moneys returned to the Treasury.

Mr. Speaker, I hope the House will defeat the motion to recommit with amendment and pass the rule.

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

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. TEAGUE of Texas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12333) to amend title 38, United States Code, to permit, for 1 year, the granting of national service life insurance to certain veterans heretofore eligible for such insurance.

The SPEAKER. The question is on the motion offered by the gentleman from Texas [Mr. TEAGUE].

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12333, with Mr. LOSER in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Texas [Mr. TEAGUE] will be recognized for 30 minutes, and the gentleman from Ohio [Mr. AYRES] will be recognized for 30 minutes.

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

Mr. TEAGUE of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill, as reported by the Committee on Veterans' Affairs, would accomplish the following:

First. It would reopen national service life insurance—for a maximum of $10,000—for 1 year from the date of enactment. By way of example, if the bill

should be signed into law on September 1, 1962, applications would start being received on September 1, 1963, and eligible individuals would have until August 31, 1964, to apply for this insurance.

Second. Generally, it covers all individuals who served between October 8, 1940, and December 31, 1956, regardless of whether or not they had insurance at any time during their service.

Third. Excepting certain Filipino veterans and persons on active duty, it covers all individuals who served between October 8, 1940, and December 31, 1956, inclusive, who were eligible to apply for insurance, regardless of whether or not they had insurance at any time during their service.

Insurance issued under the bill to nondisabled individuals who return to active duty or active duty for training for 31 days or more is terminated, but may be picked again without medical examination within 120 days following their discharge. Also, the insurance is not payable for death which occurs while on active duty or active duty for training under a call or order for less than 31 days if dependency and indemnity compensation is payable at the time of death. In such a case the cash value, if any, is payable.

Fourth. The insurance is entirely limited to permanent plans—ordinary life, 20-pay life, 30-pay life, 20-year endowment, endowment at age 60, and endowment at age 65. No term insurance is provided.

Fifth. All service-connected disabled veterans, regardless of the degree of disability, are eligible for insurance.

Sixth. The administrative costs are estimated at $7,716,000 the first year, but this is a bookkeeping transaction, inasmuch as the insured will pay approximately $5 per policy per year for administrative costs.

Seventh. Medical examinations, where required, will be at the expense of the applicant.

The bill is the same as requested by the administration which I introduced last June, except in two respects. No term insurance is provided and service-connected disabled, regardless of the degree of disability, are eligible for this insurance. The original VA draft bill had limited the service-connected to those disabled between 10 and 90 percent. The amendment making these two changes was sponsored by the gentleman from Pennsylvania [Mr. SAYLOR].

The four major veterans' organizations—American Legion, Disabled American Veterans, AMVETS, and Veterans of Foreign Wars—all support the idea inherent in this legislation and the Veterans Administration is in favor of the general proposal, although it would prefer the version as originally introduced. The Bureau of the Budget has advised that, while it has in the past objected to this reopening question, it has no objection to enactment of a proposal of this nature. The views of the executive agencies are indicated by the letters which I will read:

EXECUTIVE OFFICE
OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., June 27, 1962.

Hon. OLIN E. TEAGUE,
Chairman, Committee on Veterans' Affairs, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for views of the Bureau of the Budget on H.R. 11832, a bill to amend title 38, United States Code, to permit, for 1 year, the granting of national service life insurance to veterans heretofore eligible for such insurance.

H.R. 11832 would establish a 1-year period, beginning approximately 1 year after the date of enactment, during which nondisabled servicemen and veterans, who served in the Armed Forces of the United States, during the period between October 8, 1940, and January 1, 1957, would be eligible to apply for new insurance under the national service life insurance program, or increase protection now held, up to a maximum $10,000. The bill would establish a new trust fund, designated the "postservice insurance fund," to receive income from premiums, investments, and appropriated funds, and to pay claims, dividends, and administrative costs. Nondisabled veterans and servicemen who applied for such insurance during the 1-year period would be charged for the additional administrative costs resulting from their participation in the insurance program. H.R. 11832 would also permit service-disabled servicemen and veterans to be granted insurance under the nonparticipating service-disabled veterans' insurance program during the same 1-year period.

H.R. 11832 is, therefore, similar in many fundamental respects to H.R. 6164, upon which the Bureau of the Budget reported adversely to your committee July 5, 1961. Our reasons for opposing enactment of legislation to reopen the veterans' insurance program as reflected in our report on H.R. 6164 related to the serious problems we foresee in relation to existing servicemen's and veterans' survivor benefits programs; the lack of relationship between the proposed reopening and any service-related need or Government obligation; the lapse of time, both since the termination of the military service periods and the closing of the insurance program; the duplication of the facilities and resources of commercial insurance companies which would occur; and the significant cost to the Government involved.

We have carefully reviewed our previously expressed position. While the review has confirmed our view that there is no compelling need or Government obligation to reopen those long-closed insurance programs, the Bureau of the Budget would not object to a limited period of reopening during which eligibility to take out insurance and keep it in force would be restricted to those not in military service who between October 8, 1940, and January 1, 1957, would have been eligible for insurance. If so limited, our most serious concern would be eliminated—i.e., the potential adverse impact of reopening on the existing comprehensive program of benefits for servicemen and for ex-servicemen deceased from service-connected causes. We believe that rates for this insurance should be based on the most modern actuarial tables, that it should be fully self-supporting as to administrative expenses and benefit costs, and that the policies issued should be nonparticipating (any surplus funds to be transferred to the general fund of the Treasury).

In summary, therefore, while we do not regard legislation of this sort as necessary, the Bureau of the Budget would not object to legislation limited along the lines outlined above if the Congress sees fit to enact such legislation.

The Veterans' Administration is transmitting a draft bill, in its report to the committee, which provides an acceptable program for reopening.

Sincerely yours,

DAVID E. BELL,
Director.

JUNE 27, 1962.

Hon. OLIN E. TEAGUE,
Chairman, Committee on Veterans' Affairs, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your request for a report on H.R. 11832, 87th Congress, I am pleased to recommend favorable action by your committee on legislation to authorize, for a limited period, the granting of national service life insurance to veterans heretofore eligible for such insurance.

As you know the Veterans' Administration submitted an unfavorable report to your committee last year on a bill with a similar purpose. Our position at that time reflected a continuation of the policy of previous Administrators regarding the role of the Government in activities of a commercial type such as the life insurance program. Since then, the whole subject has been carefully studied and reevaluated and I have concluded that the withdrawal in 1951 of the privilege theretofore granted to millions of World War II veterans to secure insurance—many of whom had not yet determined their insurance needs—may well have caused hardship or unwise decision in many instances. I believe, therefore, that an extension of this privilege, for a limited period, to veterans who were previously eligible for insurance by reason of service to their country is appropriate. Further, with respect to veterans who served prior to 1951, adequate recognition has not been given to the obligation of the Government toward those veterans whose insurability has been seriously impaired, if not lost, by reason of their service-incurred disabilities. This legislation would properly meet that obligation.

For the above reasons I strongly urge that the Congress enact legislation having the basic objectives of H.R. 11832. However, to avoid the pyramiding of survivor benefits for deaths in the active service I suggest that the bill be amended to restrict eligibility to take out insurance and keep it in force to those not in the active military service who, between October 8, 1940, and January 1, 1957, were eligible for insurance. For administrative reasons I also believe it would be desirable to make such insurance nonparticipating. Veterans' Administration representatives will be pleased to furnish such technical assistance as your staff may desire in developing appropriate language for such amendments.

There is enclosed a detailed analysis covering the provisions of H.R. 11832; the legislative history of the insurance program since 1940; and data regarding the administrative and other cost aspects of the bill.

We understand that the Bureau of the Budget, in a separate report, is advising your committee that there is no objection to legislation on this subject, if limited along the lines covered by the above suggested amendments.

Sincerely,

J. S. GLEASON, Jr.,
Administrator.

The mortality table will be the commissioners standard ordinary table of 1958, 3 percent added, the insurance will be nonparticipating—no dividends.

The average age of World War II veterans as of June 30 was 43 years and of Korean conflict veterans 31.8 years.

The amendments adopted by the committee are an effort, of course, to give all service-connected disabled an opportunity to get this insurance, and the elimination of the term insurance was due to the experience which the committee has had in seeing thousands of World War I and some World War II veterans faced with ever-increasing premium rates, which they were and are finding exceedingly difficult to pay.

The Senate on August 8 passed S. 3597, a similar bill. The principal difference between the Senate version and the House bill is that the former provides for term insurance and the House version does not.

The rates for a given age on these policies are set forth in the tables, which I include as a part of my remarks.

H.R. 12333 AS REPORTED

Annual premium rates, good health applicants, per $1,000 insurance

[Gross = 1958 CSO basic table (loaded), 3 percent (nonparticipating) (administrative cost estimated at $5 annually per policy not included)]

Issue age	Ordinary life	20-pay life	30-pay life	20-year endowment	Endowment at 60	Endowment at 65	Issue age	Ordinary life	20-pay life	30-pay life	20-year endowment	Endowment at 60	Endowment at 65
25	$10.30	$17.17	$13.14	$36.94	$17.64	$14.80	43	$21.55	$29.36	$23.80	$40.49	$48.42	$36.58
26	10.66	17.64	13.61	37.06	18.35	15.39	44	22.49	30.19	24.74	41.08	52.21	38.95
27	11.13	18.11	13.97	37.06	19.30	16.10	45	23.56	31.37	25.69	41.44	56.59	41.44
28	11.48	18.59	14.44	37.17	20.13	16.81	46	24.74	32.32	26.76	42.03	61.33	44.40
29	11.96	19.18	14.80	37.17	21.19	17.52	47	25.93	33.50	27.82	42.74	67.01	47.59
30	12.43	19.65	15.27	37.29	22.26	18.35	48	27.23	34.69	28.89	43.45	73.64	51.14
31	12.90	20.24	15.75	37.41	23.32	19.30	49	28.53	35.87	30.19	44.16	81.33	55.17
32	13.38	20.84	16.22	37.53	24.74	20.24	50	29.95	37.29	31.49	45.11	90.80	59.67
33	14.09	21.43	16.69	37.65	26.05	21.19	51	31.49	38.71	32.91	45.94	102.17	64.76
34	14.68	22.14	17.28	37.88	27.47	22.26	52	33.15	40.25	34.45	47.00	116.26	70.80
35	15.27	22.73	18.00	38.00	29.01	23.44	53	34.92	41.67	36.11	48.18	134.37	77.78
36	15.86	23.44	18.59	38.24	30.66	24.63	54	36.70	43.33	37.88	49.49	158.41	85.95
37	16.57	24.15	19.18	38.36	32.56	26.05	55	38.83	45.22	39.66	50.79	191.79	95.66
38	17.17	24.98	19.77	38.60	34.69	27.47	56	40.84	47.12	41.67	52.33	241.87	107.50
39	18.11	25.81	20.60	39.07	36.82	28.89	57	43.21	49.13	43.92	53.87	324.74	122.30
40	18.82	26.52	21.31	39.31	39.31	30.66	58	45.46	51.26	46.17	55.64	489.90	141.00
41	19.65	27.47	22.02	39.66	42.03	32.44	59	48.07	53.63	48.66	57.66	983.23	165.98
42	20.60	28.30	22.97	40.02	45.11	34.33	60	47.00	52.09	47.47	55.41	----------	192.74

Premium rates per $1,000 service disabled insurance (H)

ORDINARY LIFE

Age:	Annual
25	$16.22
26	16.69
27	17.05
28	17.52
29	18.00
30	18.47
31	18.94
32	19.53
33	20.01
34	20.72
35	21.31
36	21.90
37	22.61
38	23.44
39	24.15
40	25.10
41	25.93
42	26.87
43	27.94
44	29.01
45	30.07
46	31.25
47	32.56
48	33.98
49	35.40
50	36.94
51	38.71
52	40.49
53	42.38
54	44.40
55	46.53
56	48.89
57	51.38
58	53.99
59	56.83
60	59.91
61	63.22
62	66.65
63	70.44
64	74.59
65	78.97
66	83.70
67	88.67
68	94.12
69	100.04
70	106.43
71	113.18

Premium rates per $1,000 service disabled insurance (H)—Continued

ORDINARY LIFE—continued

Age:	Annual
72	$120.52
73	128.57
74	137.21
75	146.68

30-PAYMENT LIFE

25	19.77
26	20.13
27	20.48
28	20.84
29	21.19
30	21.67
31	22.14
32	22.49
33	23.09
34	23.56
35	24.03
36	24.63
37	25.22
38	25.81
39	26.52
40	27.23
41	28.06
42	28.77
43	29.72
44	30.66
45	31.61
46	32.68
47	33.86
48	35.04
49	36.46
50	37.88
51	39.42
52	41.08
53	42.86
54	44.75
55	46.88
56	49.13
57	51.50
58	54.10
59	56.95
60	59.91
61	63.22
62	66.77
63	70.44
64	74.59
65	78.97

Premium rates per $1,000 service disabled insurance (H)—Continued

20-PAYMENT LIFE

Age:	Annual
25	$25.10
26	25.45
27	25.93
28	26.40
29	26.87
30	27.35
31	27.82
32	28.30
33	28.89
34	29.48
35	29.95
36	30.66
37	31.25
38	31.97
39	32.68
40	33.39
41	34.10
42	34.92
43	35.75
44	36.70
45	37.65
46	38.71
47	39.78
48	40.96
49	42.15
50	43.45
51	44.87
52	46.29
53	47.95
54	49.72
55	51.50
56	53.51
57	55.64
58	57.89
59	60.38
60	63.10
61	66.06
62	69.14
63	72.57
64	76.36
65	80.39
66	84.77
67	89.62
68	94.83
69	100.51
70	106.67
71	113.30

Premium rates per $1,000 service disabled insurance (H)—Continued

20-PAYMENT LIFE—continued

Age:	Annual
72	$120.64
73	128.57
74	137.21
75	146.68

20-YEAR ENDOWMENT

15	40.73
16	40.73
17	40.84
18	40.84
19	40.84
20	40.96
21	40.96
22	40.96
23	41.08
24	41.08
25	41.20
26	41.20
27	41.32
28	41.44
29	41.44
30	41.55
31	41.67
32	41.79
33	41.91
34	42.03
35	42.15
36	42.38
37	42.50
38	42.74
39	42.98
40	43.33
41	43.57
42	43.92
43	44.28
44	44.75
45	45.22
46	45.82
47	46.41
48	47.12
49	47.95
50	48.78
51	49.72
52	50.79
53	52.09
54	53.39
55	54.81
56	56.47
57	58.25
58	60.26
59	62.39
60	64.88
61	67.48
62	70.44
63	73.64
64	77.07
65	80.98
66	85.24
67	89.86
68	95.07
69	100.63
70	106.79
71	113.42
72	120.64
73	128.57
74	137.21
75	146.68

ENDOWMENT AT AGE 60

25	22.38
26	23.20
27	24.03
28	24.86
29	25.81
30	26.87
31	27.94
32	29.24
33	30.43
34	31.85
35	33.39
36	35.04
37	36.82
38	38.71
39	40.96
40	43.33
41	45.94
42	48.89

Premium rates per $1,000 service disabled insurance (H)—Continued

ENDOWMENT AT AGE 60—continued

Age:	Annual
43	$52.09
44	55.76
45	60.02
46	64.76
47	70.32
48	76.72
49	84.41
50	93.53
51	104.66
52	118.51
53	136.27
54	160.06
55	193.09
56	242.58
57	324.98
58	489.42
59	981.92

ENDOWMENT AT AGE 65

25	19.77
26	20.36
27	21.07
28	21.78
29	22.49
30	23.20
31	24.03
32	24.98
33	25.93
34	26.87
35	28.06
36	29.12
37	30.43
38	31.85
39	33.27
40	34.81
41	36.58
42	38.48
43	40.49
44	42.74
45	45.22
46	48.07
47	51.14
48	54.58
49	58.37
50	62.75
51	67.72
52	73.40
53	80.03
54	87.85
55	97.20
56	108.56
57	122.65
58	140.65
59	164.56
60	197.95
61	247.67
62	330.31
63	494.87
64	987.49

Any medical examination which is required would be at the applicant's own expense and by a duly licensed physician. However, it is the plan and hope of the Veterans' Administration that the so-called short form of application, not requiring a formal physical examination by a licensed physician, can be used in a vast majority of cases and this would involve no expense to the applicant.

All service-connected veterans serving during this period, regardless of the degree of their disability, would be eligible for a special type of insurance, usually described as "H" insurance, at rates which were applicable to the World War II group. It is believed that this program, too, would be on a self-sustaining basis and, as I have indicated, this covers all veterans who are service connected even though they may be 100-percent disabled. The World War II Act did not grant insurance for the totally disabled group, but only for those disabled between 10 and 90 percent.

The premiums on insurance issued to persons in good health would be credited to a revolving fund and benefits paid from that fund. Insurance for the service-connected disabled, on the other hand, would be funded through the national service life insurance appropriation.

When the committee met for the consideration of this bill, the gentleman from Pennsylvania [Mr. SAYLOR], who has shown great interest in this matter, offered the substitute amendment to the bill which the committee adopted unanimously. I take this opportunity to express my appreciation to the gentleman from Pennsylvania for his help and assistance in this matter and the great amount of work that he has done on this subject. The amendment, as adopted by the committee and which is before the House today, made two basic changes in the bill as introduced: First, it restricted the insurance to the permanent type and barred the issuance of term insurance; second, it made the totally disabled service connected eligible for insurance, a feature which was not included in the original draft submitted by the Veterans' Administration.

Over the years the committee has been very much concerned with the ever-increasing term rates applicable to the type of insurance available to both World War I and World War II veterans. Recently we were fortunate in securing enactment of Public Law 87-549, which gives a measure of relief to approximately 12,000 World War I veterans who have maintained their insurance on a term basis.

The committee has also passed this Congress, and it is still tied up as a result of a conflict between the two Houses, the bill, H.R. 856. This is a modified life bill which seeks to provide some relief to World War II veterans by providing a constant premium by authorizing a reduction of the face value of the policy by one-half at age 65. I hope that this latter bill can be enacted before this Congress adjourns.

Only recently the attention of the committee was called to a World War II veteran who had taken out national service life insurance at age 56, who now, at age 76, has paid approximately $12,500 in premiums. He has received approximately $1,000 in dividends, making a net cost for a $10,000 policy of approximately $11,500. Numerous other instances can be cited and I ask unanimous consent to insert in the RECORD at the conclusion of my remarks, certain tabular information on this and other related subjects.

It is for these valid reasons that the committee decided to bar the issuance of term insurance. It is the committee's belief that it is in the best interest of any veteran who wishes to take insurance under this bill that he obtain a permanent plan under which the premiums will remain constant and where

he will have the advantage of cash surrender, paid-up insurance, loan values, and reinstatement rights.

My position on reopening the national service life insurance program is so well known as to need no further elaboration at this time. However, I do think the record should be clear that I have not favored reopening the national service life insurance program and my position remains unchanged. However, because of the unfortunate, and in my opinion unnecessary, association of the question of insurance and service-connected compensation, I did not feel I could take the responsibility for delaying the enactment of the service-connected compensation bill, H.R. 10743, regardless of the merits of the reopening question. My conscience is quite clear on this subject. The service-connected veteran comes first. It is fair, of course, to point out that the bill we are considering today has been greatly altered over the original proposition; all service-connected cases are covered; no term insurance is provided; the insurance is nonparticipating.

The day following the action of the Committee on Veterans' Affairs the Finance Committee of the other body reported favorably to the Senate, S. 3597, which is the same as H.R. 12333 as introduced except that it provides discretionary authority for the Administrator to increase or decrease the rates, depending on whether or not the premiums are sufficient to meet the charges against the revolving fund or are in excess to the needs of that fund. The Senate bill as reported also provides for term insurance. An adaptation of H.R. 856, the modified life plan bill is included.

It is also good to know that the same committee has reported, without amendment, the service-connected compensation bill, H.R. 10743. I am hopeful that that bill will soon be passed by the Senate and sent to the White House so that it can be enacted into law as promptly as possible.

Now a word about the history of insurance for our veterans.

INSURANCE HISTORY

The Government life insurance program for servicemen and veterans began during World War I. The War Risk Insurance Act, which was primarily intended to insure cargo on merchant vessels during that war, was amended in 1917 to authorize the issue of yearly renewable term insurance to persons in the active service in the 1917–18 conflict. After the war the insurance was placed on a more permanent commercial-type basis.

The World War Veterans' Act of 1924 provided for termination of the yearly renewable term insurance program. It authorized the issue of U.S. Government life insurance—so-called K policies—to persons in the active service. USGLI continued to be available to persons in the active service up to October 8, 1940, the date of enactment of the National Service Life Insurance Act, and to veterans of World War I up to April 25, 1951.

National service life insurance originally was available only on the 5-year level premium term plan. However, after 1 year it could be converted to a permanent plan of insurance. In 1946, after World War II, the program was broadened to include certain beneficiary, settlement, and other aspects of commercial insurance. Also, it was made available after service to certain World War II veterans. NSLI was available to persons in the active service and to World War II veterans up to April 25, 1951.

In the 81st Congress, the Committee on Veterans' Affairs, following an investigation made by a Government Operations Subcommittee headed by the gentleman from Virginia [Mr. HARDY], began hearings looking to the enactment of an indemnity program. Hearings were held in the fall of 1950 and consideration was had again in 1951. This led to the enactment of Public Law 23, 82d Congress, on April 25, 1951, which provided a free $10,000 indemnity payable to the members of the immediate family of a veteran who had lost his life in the service. The Servicemen's Indemnity Act was effective from July 27, 1950, through December 31, 1956. It provided a maximum payment of $92.90 a month for a period of 10 years. If the serviceman did not die in the service, he had 120 days from discharge in which to obtain a nonparticipating, term policy. This right, too, continued through December 31, 1956. It was estimated that had this indemnity been in effect in World War II approximately $587 million would have been saved.

All rights of the World War I, World War II, and Korean conflict veterans to obtain new insurance after service were terminated as of December 31, 1956, when Public Law 881, 84th Congress, was enacted. This law, effective January 1, 1957, consolidated the death compensation and servicemen's indemnity benefits into one new benefit. Dependency and indemnity compensation is payable to a widow in the amount of $112 a month, plus 12 percent of the basic pay of the person who served, and throughout her lifetime so long as she does not remarry. This is a more liberal benefit and one which generally lasts longer than the indemnity benefit, which expired at the end of 10 years.

Service-connected disabled veterans discharged after April 24, 1951, who are unable to get insurance generally, had—and still have—1 year from the date of establishment of service connection within which to obtain insurance.

	June 1962	May 1962	June 1961
VETERAN POPULATION			
Veterans in civil life end of month, total	22,275,000	22,281,000	22,403,000
Korean conflict, total	5,586,000	5,577,000	5,531,000
And service in World War II	1,040,000	1,035,000	993,000
No service in World War II	4,546,000	4,542,000	4,538,000
World War II, total	15,126,000	15,127,000	15,156,000
World War I	2,455,000	2,465,000	2,565,000
Other wars and Regular Establishment	148,000	147,000	144,000
NATIONAL SERVICE LIFE INSURANCE, WORLD WAR II			
Policies in force end of month, total	5,008,361	5,013,903	5,204,764
Term policies	2,791,981	2,797,575	2,997,392
Converted policies	2,216,380	2,216,328	2,207,372
Face value of policies in force end of month (thousands of dollars), total	$32,573,677	$32,612,706	$34,059,848
Term policies (thousands of dollars)	21,401,249	21,444,899	23,004,511
Converted policies (thousands of dollars)	11,172,428	11,167,807	11,055,337

	June 1962	May 1962	June 1961
U.S. GOVERNMENT LIFE INSURANCE, WORLD WAR I			
Policies in force end of month, total	291,214	292,678	304,668
Term policies	13,143	13,335	14,678
Converted policies	278,071	279,343	289,990
Face value of policies in force end of month (thousands of dollars), total	$1,286,637	$1,293,394	$1,348,508
Term policies (thousands of dollars)	83,158	84,262	92,731
Converted policies (thousands of dollars)	1,203,479	1,209,132	1,255,777
SERVICE-DISABLED VETERANS INSURANCE, KOREA			
Policies in force end of month	49,577	49,361	46,594
Face value of policies in force end of month (thousands of dollars)	$432,896	$431,246	$407,738
VETERANS SPECIAL LIFE INSURANCE, KOREA			
Policies in force end of month	649,973	650,226	658,853
Face value of policies in force end of month (thousands of dollars)	$5,758,099	$5,762,095	$5,842,933
SERVICEMEN'S INDEMNITY, KOREA			
Cases on which payment is being made end of month	25,193	25,392	29,990

Comparison of pending insurance proposals

Bill number and author	Coverage [1]—wars	Service connected (W.W. II)	Service connected (Korea)	Term insurance	Permanent plans	Participating	Time for applying	Mortality table	Premium rates	Administrative expenses	Medical examination expense	Double indemnity	Raising waiver and TDI age to 65	Service connected, less than total apply for full TDI	Administrative cost [2] (1st 5 years)	Service-disabled benefit cost [3] (1st 5 years)
H.R. 856 and H.R. 879 Long rider.	W.W. II and Korean. Oct. 8, 1940–Dec. 31, 1956. Service-disabled persons discharged after Apr. 24, 1951, and prior to date of enactment.	No	Yes	Yes	Yes	Yes; service between Oct. 8, 1940, and Apr. 24, 1951.	2 years after Jan. 1, 1962.	Table used depends on period of service, or if service-connected disabled. (See premium tables, page 2.)	See attached	Borne by new policyholders (other than service disabled). Estimated at $5 annually per policy.	Borne by applicant (other than service disabled).	No	No	No	$6,939,200, $5,573,400, $3,597,300, $2,874,500, $2,710,500. (Based on 1,000,000 policies.)	$195,000, 1st year; $450,000, 2d year; $515,000 for each of next 3 years. Based on 2,000 policies issued to service disabled including persons totally disabled. Also includes extra hazard cost.
H.R. 6164 Mr. Baring (by request—American Legion).	W.W. II and Korean. Dec. 7, 1941–Sept. 2, 1945; June 27, 1950–July 27, 1963. Service disabled, Oct. 8, 1940–Sept. 2, 1945; June 27, 1950–July 27, 1953.	Yes; same as applicable to Korean veterans.	Yes	Yes	Yes	Yes; service between Dec. 7, 1941, and Sept. 2, 1945.	1 year after Jan. 1, 1962.	do	do	do	do	No	No	No	$7,716,700, $5,583,500, $3,088,500, $2,907,500, $2,743,500. (Based on 1,000,000 policies.)	$780,000, 1st year; $1,795,000 for each of next 4 years. Based on 90,000 policies issued to service disabled less than total and 2,000 policies issued to service disabled including totally disabled persons.
H.R. 9925 Mr. Teague of Texas (by request—AMVETS).	W.W. II and Korean. Oct. 8, 1940–Dec. 31, 1956. Service-disabled persons discharged after Oct. 8, 1940, and prior to Jan. 1, 1964.	do	Yes	Yes	Yes	No	1 year after Dec. 31, 1963.	do	do	Borne by policyholders, new and *existing;* except nonparticipating service-connected disabled.	Borne by applicant (including service disabled).	Yes; estimated premium, $3 per year.	Yes	Yes	$5,370,000, $10,012,000, $3,890,000, $3,398,000, $3,270,000. (Based on 1,000,000 policies and other factors.)	$10 million, 1st year; $23 million for each of next 4 years. Based on 100,000 policies issued to service disabled including persons totally disabled and on 100,000 age 65 TDIP riders issued to service disabled less than total.
H.R. 11268 Mr. Teague of Texas (by request—American Legion).	W.W. II and Korean. Dec. 7, 1941–Sept. 2, 1945; June 27, 1950–July 27, 1953. Service disabled, Oct. 8, 1940–Sept. 2, 1945; June 27, 1950–July 27, 1953.	do	Yes	Yes	Yes	Yes; service between Dec. 7, 1941, and Sept. 2, 1945.	1 year after 6 months from date of enactment.	do	do	Same as H.R. 6164.	Same as H.R. 6164.	No	No	No	Same as H.R. 6164.	Same as H.R. 6164.
H.R. 11832 (by request—AMVETS, Blinded War Veterans, Catholic War Veterans, Disabled American Veterans, Jewish War Veterans, Military Order of the Purple Heart, Paralyzed Veterans of America, Veterans of Foreign Wars.)	W.W. II and Korean. Oct. 8, 1940–Dec. 31, 1956. Service-disabled persons discharged after Oct. 8, 1940, and prior to 1 year after date of enactment.	do	Yes	Yes	Yes	Yes; service between Oct. 8, 1940, and Dec. 31, 1956.	1 year after 1 year from date of enactment.	do	do	do	Same as H.R. 9925.	No	No	No	do	$5,700,000, 1st year; $13,240,000 for each of next 4 years. Based on 100,000 policies issued to service disabled including persons totally disabled. Also includes extra hazard costs.
H.R. 12333 [4] Mr. Teague of Texas (by request).	W.W. II and Korean. Oct. 8, 1940–Dec. 31, 1956; service disabled less than total on or between such dates.	Yes; similar W.W. II.	Yes; similar W.W. II.	No	Yes	No	do	do	do	Borne by all policyholders, including service disabled.	do	No	No	No	Approximately same as H.R. 6164.	Estimated to be self-sustaining.

See footnotes at end of table.

Comparison of pending insurance proposals—Continued

Bill number and author	Coverage [1]—wars	Service connected (W.W. II)	Service connected (Korea)	Term insurance	Permanent plans	Participating	Time for applying	Mortality table	Premium rates	Administrative expenses	Medical examination expense	Double indemnity	Raising waiver and TDI age to 65	Service connected, less than total apply for full TDI	Administrative cost [2] (1st 5 years)	Service-disabled benefit cost [3] (1st 5 years)
H.R. 12680 [4] Mr. Saylor (by request).	W.W. II and Korean Oct. 8, 1940–Dec. 31, 1956, etc.	Yes; similar W.W.II.	Yes; similar W.W.II.	No	Yes	No	1 year after 1 year, etc.	Table used depends on, etc.	See attached.	Borne by all policyholders, etc.	Same as H.R. 9925.	No	No	No	Approximately same as H.R.6164.	Estimated to be self-sustaining.
S. 3597 [4 5] Senator Long of Louisiana.	do	do	do	Yes	Yes	No	do	do	do	do	do	No	No	No	do	Do.

[1] Reopen program for persons heretofore eligible (except Filipino veterans) within the periods stated.

[2] Administrative cost reimbursed by nondisabled policyholders under all bills and also by the service disabled under H.R. 12333, H.R. 12680, and S. 3597. The administrative cost shown is based on an arbitrarily assumed number of policies issued to the classes covered. It is Veterans' Administration cost only and does not include cost which would be incurred by other Government agencies. In reality this is a bookkeeping transaction involving no cost to the Government, except in connection with policies issued the service disabled under bills other than H.R. 12333, H.R. 12680, and S. 3597.

[3] Based upon an arbitrarily assumed number of issues to the classes covered. Ultimate cost will, of course, depend upon the actual number of policies issued to the service disabled and experience thereunder.

[4] Will not be issued to any person in armed services or provide any protection while on active duty, or active duty for training.

[5] Provides for modified life plan as specified in H.R. 856.

Annual premium rates per $1,000 insurance

Issue age	H.R. 856, H.R. 879, long rider,[1] H.R. 6164,[1] H.R. 11268 [1] (gross=American experience table (1868), 3 percent; net=estimated)			H.R. 856, H.R. 879, long rider,[2] H.R. 6164,[2] H.R. 9925,[2] H.R. 11268,[2] H.R. 11832 [2] (gross=1941 commissioners standard ordinary table of mortality, 2¼ percent (nonparticipating))		H.R. 856, H.R. 879, long rider,[3] H.R. 6164,[3] H.R. 9925,[4] H.R. 11268 [3] (gross=X−18 (1950-54), 2½ percent (nonparticipating))		H.R. 11832,[5] (gross=1958 commissioners standard ordinary table of mortality, 3 percent; net=estimated)		
	Net 5-year term	Gross ordinary life	Net ordinary life	Gross 5-year term	Gross ordinary life	Gross 5-year term	Gross ordinary life	Net 5-year term	Gross ordinary life	Net ordinary life
25	$1.09	$16.22	$10.68	$3.09	$15.44	$0.95	$11.51	$1.05	$11.37	$10.18
26	1.09	16.69	11.07	3.21	15.92	.95	11.87	1.05	11.72	10.56
27	1.21	17.05	11.48	3.33	16.39	1.07	12.22	1.17	12.19	10.96
28	1.21	17.52	11.91	3.44	16.99	1.07	12.70	1.17	12.55	11.38
29	1.21	18.00	12.36	3.68	17.46	1.07	13.17	1.17	13.02	11.82
30	1.33	18.47	12.83	3.80	18.06	1.19	13.65	1.29	13.50	12.28
31	1.32	18.94	13.33	4.04	18.65	1.19	14.12	1.29	14.09	12.77
32	1.44	19.53	13.85	4.28	19.36	1.31	14.71	1.41	14.56	13.28
33	1.56	20.01	14.40	4.51	19.96	1.42	15.19	1.52	15.15	13.82
34	1.68	20.72	14.98	4.75	20.67	1.54	15.78	1.64	15.75	14.39
35	1.80	21.31	15.59	5.11	21.38	1.66	16.37	1.76	16.46	14.99
36	1.92	21.90	16.24	5.35	22.21	1.90	17.09	2.00	17.05	15.62
37	2.15	22.61	16.92	5.70	23.04	2.02	17.68	2.12	17.76	16.28
38	2.39	23.44	17.64	6.06	23.88	2.37	18.39	2.47	18.59	16.98
39	2.75	24.15	18.39	6.41	24.71	2.61	19.22	2.71	19.30	17.71
40	2.98	25.10	19.19	6.89	25.66	2.85	19.93	2.95	20.13	18.49
41	3.34	25.93	20.04	7.36	26.73	3.20	20.76	3.30	20.95	19.31
42	3.82	26.87	20.92	7.96	27.68	3.56	21.59	3.66	21.90	20.16
43	4.29	27.94	21.85	8.43	28.86	3.92	22.54	4.02	22.85	21.06
44	5.01	29.01	22.82	9.03	29.93	4.39	23.49	4.49	23.91	22.00
45	5.72	30.07	23.86	9.74	31.12	4.86	24.44	4.96	24.98	23.01
46	6.55	31.25	24.95	10.45	32.43	5.34	25.51	5.44	26.16	24.07
47	7.39	32.56	26.09	11.28	33.85	5.93	26.70	6.03	27.35	25.18
48	8.22	33.98	27.28	12.12	35.28	6.64	27.88	6.74	28.65	26.34
49	9.05	35.40	28.55	13.07	36.70	7.24	29.07	7.34	29.95	27.58
50	9.88	36.94	29.90	14.14	38.37	8.07	30.38	8.17	31.37	28.90
51	10.82	38.71	31.34	15.20	40.03	8.90	31.80	9.00	32.91	30.29
52	11.77	40.49	32.84	16.39	41.81	9.73	33.22	9.83	34.45	31.74
53	12.83	42.38	34.43	17.70	43.71	10.68	34.88	10.78	36.11	33.28
54	14.01	44.40	36.12	19.12	45.73	11.87	36.43	11.97	37.88	34.92
55	15.31	46.53	37.91	20.79	47.87	13.05	38.21	13.15	39.78	36.66
56	16.62	48.89	39.82	22.45	50.13	14.24	39.99	14.34	41.79	38.50
57	17.93	51.38	41.84	24.23	52.50	15.66	42.00	15.76	43.92	40.45
58	19.24	53.99	43.97	26.25	55.00	17.32	44.02	17.42	46.17	42.51
59	20.55	56.83	46.23	28.51	57.73	18.98	47.27	19.08	48.66	44.70
60	21.86	59.91	48.61	30.88	60.58	20.76	48.53	20.86	51.26	47.01

[1] For World War II veterans only (American experience table—adopted 1868).
[2] For service disabled only (Commissioners standard ordinary table of mortality, 1941).
[3] For Korean veterans only.
[4] For all veterans except service disabled (intercompany table of mortality, 1950-54).
[5] Identical to S. 3289.

NOTE.—None of these rates takes into account the administrative expense charges imposed by the various bills. Average age, June 30, 1962, World War II veteran is 43 years; Korean conflict, 30.8.

LIFE EXPECTANCIES

Year	Life expectancy at birth (males)	Age	Life expectancy (males)
1900	46.3	40	31.2
1910	48.4	50	22.8
1920	53.6	60	15.7
1930	58.1	70	10.7
1940	60.8		
1950	65.8		
1960	66.5		

Annual premium rates per $1,000 insurance

[Gross=1958 CSO basic table (loaded) 3 percent nonparticipating]

Issue age:	*5-year term*
25	$1.30
26	1.30
27	1.42
28	1.42
29	1.54
30	1.54
31	1.66
32	1.78
33	1.89
34	2.01
35	2.25
36	2.37
37	2.72
38	2.96
39	3.31
40	3.67
41	4.14
42	4.50
43	5.21

Annual premium rates per $1,000 insurance—Continued

[Gross=1958 CSO basic table (loaded) 3 percent nonparticipating]

Issue age:	*5-year term*
44	$5.68
45	6.27
46	6.98
47	7.81
48	8.64
49	9.59
50	10.77
51	11.96
52	13.26
53	14.92
54	16.57
55	18.59
56	20.48
57	22.61
58	24.98
59	27.58
60	25.81
61	28.30
62	31.02
63	33.98
64	37.17
65	40.73
66	44.63
67	48.78
68	53.28
69	58.01
70	62.98
71	68.07
72	73.64
73	79.56
74	86.07
75	93.41

Annual premium rates per $1,000 insurance—Continued

[Gross=1958 CSO basic table (loaded) 3 percent nonparticipating]

Issue age:	*5-year term*
76	$101.46
77	110.34
78	120.17
79	130.70
80	141.95
81	153.79
82	166.22
83	179.36
84	193.33
85	208.25
86	224.23
87	241.63
88	260.93
89	282.48
90	306.98

PREMIUM RATES PER $1,000 INSURANCE—WORLD WAR II 5-YEAR LEVEL-PREMIUM TERM

25	$7.93
26	8.05
27	8.17
28	8.17
29	8.29
30	8.41
31	8.52
32	8.64
33	8.76
34	8.88
35	9.00
36	9.12
37	9.35
38	9.59
39	9.83

Annual premium rates per $1,000 insurance—Continued

[Gross=1958 CSO basic table (loaded) 3 percent nonparticipating]

PREMIUM RATES PER $1,000 INSURANCE—WORLD WAR II 5-YEAR LEVEL-PREMIUM TERM—CON.

Issue age:	*5-year term*
40	$10.06
41	10.30
42	10.54
43	10.89
44	11.25
45	11.72
46	12.19
47	12.79
48	13.50
49	14.21
50	15.04
51	15.98

Annual premium rates per $1,000 insurance—Continued

[Gross=1958 CSO basic table (loaded) 3 percent nonparticipating]

PREMIUM RATES PER $1,000 INSURANCE—WORLD WAR II 5-YEAR LEVEL-PREMIUM TERM—CON.

Issue age:	*5-year term*
52	$17.05
53	18.23
54	19.53
55	20.95
56	22.49
57	24.27
58	26.16
59	28.41
60	30.78
61	33.39
62	36.35
63	39.54

Annual premium rates per $1,000 insurance—Continued

[Gross=1958 CSO basic table (loaded) 3 percent nonparticipating]

PREMIUM RATES PER $1,000 INSURANCE—WORLD WAR II 5-YEAR LEVEL-PREMIUM TERM—CON.

Issue age:	*5-year term*
64	$43.09
65	47.00
66	51.38
67	56.12
68	61.33
69	67.01
70	73.16
71	79.68
72	86.78
73	94.36
74	102.64
75	111.88

U.S. Government Life Insurance (World War I), 5-Year Term

Examples of in-force cases where total net premiums (after dividends) exceeds the face amount of the policy

Original issue		Number of policies	Face amount of insurance	Total net premiums paid to date
Year	Age			
1927	42	11	$47,500	$50,106
1927	43	14	101,000	115,407
1927	44	7	31,000	38,284
1927	45	1	5,000	6,699
1927	47	1	5,000	7,894
1927	49	1	1,000	1,868
1930	52	1	1,000	1,901
1931	46	1	1,000	1,040
1931	47	2	5,000	5,638
1932	47	3	22,000	22,199
1932	48	2	18,000	19,710
1932	49	3	17,200	20,409
1932	50	3	$12,500	$16,100
1932	51	1	10,000	13,996
1932	52	1	2,000	3,043
1933	48	2	15,000	15,218
1934	49	2	2,000	2,023
1936	53	1	3,000	3,472
1936	54	1	2,000	2,516
1941	59	1	5,000	5,904
1943	60	1	5,000	5,062
1943	62	1	10,000	12,028
Total		61	321,200	370,517

Distribution of World War I term policies by year of issue

Original year of issue	Number of policies	Amount of insurance
1927	3,499	$21,601,314
1928	48	317,000
1929	196	1,118,000
1930	198	1,109,259
1931	263	1,486,367
1932	905	5,994,278
1933	373	1,954,723
1934	307	1,519,330
1935	236	1,176,294
1936	274	1,519,938
1937	325	1,731,942
1938	378	2,113,244
1939	419	2,628,562
1940	749	4,834,659
1941	310	1,798,589
1942	707	5,262,683
1943	1,230	9,449,376
1944	364	2,527,445
1945	170	1,174,173
1946	128	803,000
1947	394	2,424,053
1948	401	2,531,000
1949	285	1,765,500
1950	291	1,663,000
1951	187	1,116,354
1955	2	15,000
1956	1	1,000
1961	1	1,000
Total	12,641	79,637,083

Yearly renewable term (wartime) insurance—World War I

[Monthly premium rate per $1,000]

Age:	
20	$0.64
21	.65
22	.65
23	.65
24	.66

Yearly renewable term (wartime) insurance—World War I—Continued

[Monthly premium rate per $1,000]

Age:	
25	$0.66
26	.67
27	.67
28	.68
29	.69
30	.69
31	.70
32	.71
33	.72
34	.73
35	.74
36	.75
37	.76
38	.77
39	.79
40	.81
41	.82
42	.84
43	.87
44	.90
45	.92
46	.95
47	.99
48	1.06
49	1.08
50	1.14
51	1.20
52	1.27
53	1.35
54	1.44
55	1.53
56	1.64
57	1.76
58	1.90
59	2.05
60	2.21
61	2.40

Yearly renewable term (wartime) insurance—World War I—Continued

[Monthly premium rate per $1,000]

Age:	
62	$2.60
63	2.82
64	3.07
65	3.35
66	3.65
67	3.99
68	4.36
69	4.77
70	5.22
71	5.72
72	6.25
73	6.81
74	7.42
75	8.07
76	8.78
77	9.57
78	10.46
79	11.47
80	12.67
81	14.00
82	15.51
83	17.19
84	19.16
85	21.61
86	24.76
87	28.80
88	33.72
89	39.56
90	46.95
91	57.58
92	73.05
93	90.34
94	115.19

Yearly renewable term insurance has no cash, loan, paid-up, or extended insurance values.

COMPARISON OF H.R. 12333 VERSUS COMMERCIAL INSURANCE RATES

Annual net costs (premiums, including premium waiver), less dividends—$10,000 insurance

	Ordinary life		
	Age 25	Age 35	Age 45
Company A	$142.50	$202.30	$295.10
Company B	150.75	205.67	293.74
Company C	138.85	190.59	274.36
Company D	135.91	186.45	274.03
Company E	130.12	177.16	258.44
Company F	142.60	200.70	295.50
Average for 6 companies	140.12	193.81	281.86
Proposed annual premiums including $5 per policy for administrative cost, H.R. 12333:			
Healthy veteran	108.00	157.70	240.60
Service disabled veteran	167.20	218.10	305.70

AMVETS,
Washington, D.C., August 2, 1962.

Hon. OLIN E. TEAGUE,
Chairman, Committee on Veterans' Affairs, the House of Representatives, Washington, D.C.

DEAR MR. TEAGUE: I want to express the deep appreciation of AMVETS, and my own as well, for your outstanding leadership in bringing about the favorable report of H.R. 12333.

The Committee on Veterans' Affairs and its distinguished chairman have once again clearly indicated their concern for this Nation's war disabled, in amending H.R. 12333 to permit those with total disabilities to reinstate their lapsed national service life insurance. This particular provision of your bill has been noticeably missing from a variety of Senate bills which have been considered on this subject at various times.

Enclosed is a text of the wire sent to Chairman BYRD, of the Senate Finance Committee, by the eight national veterans organizations which signed the joint petition of April 18 to Senator BYRD.

Sincerely yours,

P. E. HOWARD.

NEW YORK, N.Y.,
August 2, 1962.

Hon. OLIN TEAGUE,
Chairman, Veterans' Affairs Committee, House of Representatives, Washington, D.C.:

The Paralyzed Veterans of America wishes to express its deepest appreciation for your efforts on behalf of its membership in having H.R. 12333 reported out favorably with the inclusion of the totally disabled under its provision.

ROBERT CLASSON,
Legislative Director, Paralyzed Veterans of America.

PARALYZED VETERANS OF AMERICA, INC.,
New York, N.Y., August 3, 1962.

Hon. OLIN E. TEAGUE,
Chairman, Veterans' Affairs Committee, House of Representatives, Washington, D.C.

DEAR MR. TEAGUE: It is my pleasure to reiterate my sincere appreciation to you, in behalf of the members of the Paralyzed Veterans of America, for your efforts in having H.R. 12333 reported out favorably and thus breaking the logjam on the service-connected compensation measure. We are especially cognizant of the amendment which will permit totally disabled veterans to reopen, since all of our members fall into this category.

Thank you, again, for your generosity.

Sincerely yours,

ROBERT CLASSON,
Legislative Director.

AMVETS NATIONAL HEADQUARTERS,
August 2, 1962.

Hon. HARRY BYRD,
U.S. Senate, Washington, D.C.:

Largely as a result of painstaking negotiations by the undersigned eight national organizations with the White House and Chairman TEAGUE, the Committee on Veterans' Affairs has this date unanimously reported H.R. 12333, which would reopen national service life insurance to World War II veterans. This bill will be voted on by the House of Representatives early next week, and its passage is virtually assured. Recalling the promise you made to our organizations when we met in your office on April 18 that the Senate Finance Committee would act on H.R. 10743 to grant cost-of-living increases in compensation for the war disabled "by sundown of the same day that the House committee favorably reported a NSLI reopening bill," we respectfully urge the Senate Finance Committee to act with dispatch and favorably report the compensation measure to the Senate floor. We believe that today's action by the House Committee on Veterans' Affairs clearly indicates that they have kept faith with this Nation's 2 million war disabled who have been deprived of a just increase in their compensation rates for over 2 years. In the interest of justice and fairness for those in our ranks who bear the scars of our Nation's wars, we respectfully request the Senate to act at once on this compensation measure.

EDWIN P. FIFIELSKI,
National Commander, AMVETS.

WILLIAM M. HUGHES,
National President, Blinded Veterans.

ALBERT J. SCHWIND,
National Commander, Catholic War Veterans.

ROBERT CLASSON,
Past National President, Paralyzed Veterans.

ROBERT E. HANSEN,
Commander in Chief, VFW.

FRANCIS R. BUONO,
National Commander, Disabled American Veterans.

THEODORE BROOKS,
National Commander, Jewish War Veterans.

EDWARD J. HOLIDAY,
National Commander, Military Order of Purple Heart.

Comparison of insurance bills, H.R. 12333, as reported Aug. 2, 1962, and S. 3597, as passed Senate Aug. 8, 1962

Item	H.R. 12333	S. 3597
Period of service: World War II and Korean (Oct. 8, 1940, through Dec. 31, 1956; service-disabled, including totally disabled on or between such dates).	X	X.
Term insurance	No	Yes.
Permanent plans: Ordinary life, 20-pay life, 30-pay life, 20-year endowment, endowment at age 60, endowment at age 65.	Yes	Do.
Nonparticipating (no dividends)	X	X.
Time for applying: 1 year after 1 year from date of enactment.	X	X.
Mortality table: 1958 commissioners standard ordinary 3 percent.	X	X.
Administrative expense borne by policyholder estimated at $5 annually per policy, including service disabled.	X	X.
Medical examination expense borne by applicant if required	X	X.
Administrative expense approximately $7,716,700 1st year based on 1,000,000 policies borne by policyholders.	X	X.
Adjustment of premium rates every 2 years	No	Yes.
Term insurance after age 50	(1)	No.[2]
Modified life plan for World War II and Korean policyholders as provided originally in H.R. 856 passed by the House on Mar. 6, 1961.	No	Yes.[3]

[1] None at any age.
[2] No term insurance may be issued at above age 50. For veteran obtaining it before age 50, when he reaches age 50 he has 3 choices: (1) Surrender the insurance; (2) convert to permanent plan; (3) convert to modified life plan with face value of the policy reduced by ½ at age 65.
[3] Effective the same date as balance of the bill.

NOTE.—S. 3597 as passed House, Aug. 16, 1962, provided coverage only for service-connected veterans with disabilities making them uninsurable according to good health standards as determined by the VA; administrative costs would be borne by the Government.

ESTIMATED COST ON THE BILL, S. 3597, AS PASSED HOUSE AUGUST 16, 1962

The bill would authorize for 1 year the issue of NSLI to any veteran heretofore eligible to apply for such insurance who is in good health except for service-connected disability which renders him uninsurable according to standards of good health established by the Administrator. The insurance would be nonparticipating and the premium rate would be based upon the American Experience Table of Mortality and interest at the rate of 3 percent per annum. The VA has no actual experience on this particular group. The closest experience we have is with nonparticipating insurance (with the same premium rate basis) issued to persons with service-incurred disability less than total in degree under section 602(c)(2) of the NSLI Act. If that experience is comparable, it is believed that the life insurance issued under committee print bill No. 3 would be self-supporting, or nearly so, and would require little or no Government subsidy from a claims-cost standpoint.

As of May 20, 1961, there were about 1,820,000 World War II, Korean conflict, and peacetime veterans on the service-connected compensation rolls who would be potentially eligible for insurance under committee print bill No. 3. It is not known how many of these veterans have the maximum amount of NSLI, or how many would file application or qualify for insurance under bill No. 3. Also, an unknown number of veterans no longer on the compensation rolls or who have never applied for compensation could qualify for life insurance under the bill.

The following is the estimated annual unit administrative cost to the VA of processing and maintaining each policy issued under the bill:

First full year processing and maintenance, $17.50.

Average, 4 years' maintenance, $3.64.

In addition, physical examinations, when required, would cost about $15 in routine cases and about $25 in complicated cases requiring further development. This, of course, does not include the cost of transportation which the VA is required to bear

where it would be necessary to order a service-disabled veteran to report to the VA for a physical examination in conection with insurance issued under the bill.

The following estimated administrative cost to the VA of reopening the NSLI program for 1 year to veterans who are uninsurable because of service-connected disability is based upon each 100,000 applications received from the 1,820,000 veterans potentially eligible and upon the following arbitrary assumptions:

(a) Eighty percent of the applications received will be processed the first year after the effective date and 20 percent the following year.

(b) Seventy percent of the applications received will be approved and maintained thereafter with adjustments each year.

(c) That for each 100,000 applications received the VA will be required to give 50,000 free medical examinations.

(d) That of each 50,000 free physical examinations, 45,000 will be routine, cost about $15 each or $675,000 and 5,000 will be complicated requiring further development, cost about $25 each or $125,000.

(e) That for each 1,000 policies of seriously disabled veterans insurance in force there will be 10 maturities per thousand the first year, 11 the second, 12 the third, and 13 the fourth year.

Administrative cost to the Government

1st year	$1,758,200
2d year	689,500
3d year	267,000
4th year	255,600

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

Mr. TEAGUE of Texas. I yield to the gentleman.

Mr. MICHEL. The premium schedule we see here in this bill is higher, is it not, than for comparable policies that were issued to us as veterans of World War II?

Mr. TEAGUE of Texas. The rates for World War II were on the American experience table, the bill as reported uses the 1958 CSO table. The rates are as indicated in tables I have inserted in the RECORD. The impression has been created about this legislation across the country that we are giving the veterans the same insurance; we are not. He has to pay the administrative cost and a different table is involved.

Mr. MICHEL. Under the premiums paid heretofore, the policy was a participating policy and dividends were returned to the veteran, with a lower premium. Now we have a higher premium and it is nonparticipating. It seems to me that at some future date the Government is going to be making money on this premium schedule. Otherwise, why should it be higher than on policies under which a lower premium was being paid?

Mr. TEAGUE of Texas. The gentleman could be right, but the mortality table that has been selected is the best we have to date. It might be right. It might be possible to lose money, too. Actuaries are rather conservative.

Mr. MICHEL. I note a comparison on one of the documents put out by the committee as to the comparable rates of private insurance companies but nonparticipating in the area of ordinary life, the first 20 years, under age 45, a rate for a healthy veteran of $240.60 for a $10,000 policy, as against the average for the private-ownership companies of $281.86. This did not take into account any of the participating companies or mutual companies that would pay a dividend?

Mr. TEAGUE of Texas. There would be $5 added to the $240 for administrative costs. The rates cited are net rates.

Mr. MICHEL. What I am trying to say here is that the average companies must have been stock insurance companies, nonparticipating. Is that not correct?

Mr. TEAGUE of Texas. There is participating and nonparticipating.

Mr. MICHEL. What I am trying to say is that as to the mutual insurance companies that have for the last several years been paying a regular dividend on all the varieties of insurance offered here, there would be even a much more narrow gap between what the veteran pays under this program and what can be offered under private insurance.

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

Mr. TEAGUE of Texas. I yield to the gentleman from Ohio.

Mr. AYRES. The figures the gentleman from Illinois is referring to on companies A, B, C, D, E, and F, they were not mutual companies and the rates cited are net.

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

Mr. TEAGUE of Texas. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. The committee report states at page 6 that the administrative expenses which are outlined in connection with this bill in reality are a bookkeeping transaction involving no cost to the Government, inasmuch as the bill provides that funds so appropriated shall be repaid to the Treasury by collection of the administrative expenses from the policyholders. Would this hold true under either the bill of the committee or under the alternate which is being suggested in the motion to recommit?

Mr. TEAGUE of Texas. The motion to recommit, as I understand, will strike all from the bill except service connected. The service-connected administration cost will be borne by the Government.

He will get exactly the same insurance that the World War II disabled veteran received and at the same rate except this covers the 100-percent disabled and the World War II program went no higher than 90 percent.

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

Mr. TEAGUE of Texas. I yield to the gentleman from North Carolina.

Mr. JONAS. From the explanation the chairman has given, does this apply to the committee bill or the motion to recommit with instructions?

Mr. TEAGUE of Texas. It has been to the committee bill. The only portion I referred to is that the insurance for veterans in good health will be stricken under the motion to recommit.

Mr. JONAS. Should the motion to recommit prevail, how many veterans would be eligible for insurance?

Mr. TEAGUE of Texas. If it prevails, how many would it affect?

Mr. JONAS. How many would be encompassed by the new bill?

Mr. TEAGUE of Texas. I do not believe we have that figure.

Mr. JONAS. The 16-million figure that has been used today was applicable to the committee bill?

Mr. TEAGUE of Texas. Close to 15 million.

Mr. JONAS. And not necessarily to the motion to recommit with instructions.

Mr. TEAGUE of Texas. The 16 million was applicable to the bill as reported.

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

Mr. TEAGUE of Texas. I yield to the gentleman from Ohio.

Mr. AYRES. The figure the gentleman from North Carolina is using is found on page 11 of the report which accompanies H.R. 12333. I quote:

There are approximately 1,800,000 service-connected veterans who would be potentially eligible for insurance under the bill provided they do not now have the maximum coverage of $10,000.

In other words, you are not dealing with 16 million, you are dealing with a potential of 1,800,000.

Mr. JONAS. I understand that if the motion to recommit prevails the veterans who are service connected with respect to their disabilities will not be eligible for this insurance if they are fully covered with the maximum permitted under the NSLI program. Is that correct?

Mr. TEAGUE of Texas. That is correct.

Mr. JONAS. That would be $10,000?

Mr. TEAGUE of Texas. That is correct.

Mr. JONAS. But if a veteran had taken but a policy of $5,000 and he otherwise qualifies, he would be eligible for a policy of $5,000 under this program?

Mr. TEAGUE of Texas. Yes.

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

Mr. TEAGUE of Texas. I yield.

Mr. MICHEL. Under the Veterans' Administration rules, there are some of us who can very well be described as having a service-connected disability, but whose disability is not severe enough so as to disqualify us from passing a regular insurance examination. How would the provisions of the motion to recommit affect those people who, by Veterans' Administration standards are service-connected disabled cases, but who can still qualify for private insurance?

Mr. TEAGUE of Texas. The motion to recommit would affect all service-connected disabled veterans who are uninsurable.

Mr. MICHEL. But in the report there seems to be language which would indicate otherwise, and I would be glad if my colleague would yield to the gentleman from Ohio [Mr. AYRES].

Mr. TEAGUE of Texas. I yield to the gentleman.

Mr. AYRES. I will read from the motion to recommit which will be offered under paragraph (a) of the motion:

(a) Any person heretofore eligible to apply for national service life insurance after October 7, 1940, and before January 1, 1957, who is in good health except for a service-connected disability which renders him un-

insurable according to the standards of good health established by the Administrator shall, upon application in writing made within one year after the effective date of this section, submission of evidence satisfactory to the Administration that but for service-connected disabilities he is in good health at the time of such application, and payment of the required premiums, be granted insurance other than on the five-year level premium term plan under the same terms and conditions as are contained in standard policies of national service life insurance except—

Mr. MICHEL. And so it goes on from there. So, apparently, if the Administrator in that case would draw up some rules of procedures—for example, I am a service-connected disabled veteran, but I am insurable, my point is I think under the language of this motion to recommit, if you are insurable even though having a service-connected disability, if the Veterans' Administration Administrator says, if you are insurable, you cannot have it, then you cannot have it. Am I not correct in that assumption?

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

Mr. TEAGUE of Texas. I yield to the gentleman.

Mr. EDMONDSON. With respect to this question of eligibility of service-connected disabled; do I understand correctly that this service connection and the disability resulting from the service connection need not be a disability that was present during the war or immediately following the war, but that it could be a disability recently discovered and recently credited by the Veterans' Administration?

Mr. TEAGUE of Texas. Yes, if the veteran is granted service connection by the Veterans' Administration.

Mr. EDMONDSON. In other words, a veteran who had had good health during the war and following the war, then in the last year or two discovered that he had a service-connected disability is given an opportunity to apply for this insurance while possibly a veteran who had had bad health during the war and following the war, but is now in good health would be deprived of it; is that correct?

Mr. TEAGUE of Texas. That is correct.

Mr. EDMONDSON. I thank the gentleman.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman.

Mr. VAN ZANDT. What was the vote in committee when this bill was reported out?

Mr. TEAGUE of Texas. As I remember, the vote was unanimous.

Mr. VAN ZANDT. Now do I understand that a committee member is offering a motion to recommit the bill?

Mr. TEAGUE of Texas. That is correct.

Mr. VAN ZANDT. This 16 million figure that has been mentioned, of course, that represents the ultimate or the highest figure; is that correct?

Mr. TEAGUE of Texas. That is correct.

Mr. VAN ZANDT. But does not your report say here that it is only possible that 1 million of the 16 million would actually apply for reinstatement of this type of insurance, among which there are 100,000 who are service connected?

Mr. TEAGUE of Texas. The Veterans' Administration gave a figure of 1 million, which they really have no way of proving.

Mr. VAN ZANDT. It is based on their experience having dealt with veterans over a period of many years.

Mr. TEAGUE of Texas. That is correct. It is a guess, really.

Mr. VAN ZANDT. This bill really will cost the Government nothing.

Mr. TEAGUE of Texas. This bill as reported will cost nothing. If the motion prevails, the Government will bear the administration costs.

Mr. VAN ZANDT. Does it not say in your report that it would represent a book transfer?

Mr. TEAGUE of Texas. As far as the good health cases are concerned, that is true, but as far as the service-connected policies are concerned, they would not have to pay the administrative costs under the substitute. They would not have to pay for any kind of medical examination. The Government will pay that, so for the service connected there will be a very small amount of cost.

Mr. VAN ZANDT. Is not this true, that the problem the Committee is faced with here is whether or not we are going to extend the right to the veteran who permitted his policy to lapse to reinstate it? Congress already has established the policy of insurance for veterans in this country. Is not that correct?

Mr. TEAGUE of Texas. The gentleman is correct.

Mr. VAN ZANDT. I thank the gentleman.

Mr. AYRES. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Chairman, the bill which we have before us today does not include term insurance. Since many of the veterans of World War I and World War II have not converted their insurance, many people are insisting and believe that this type of policy should be continued. Because of certain facts which the Veterans' Administration has made available to me and to anyone who is interested, the Veterans' Committee turned down this facet of term insurance.

As our eminent chairman, the gentleman from Texas [Mr. TEAGUE] has explained, the maximum insurance it is possible to procure under this bill is $10,000. I asked the Veterans' Administration to furnish me with the most outstanding example they had of a member of the armed services in World War I, World War II or Korea who has carried insurance and has paid in the most premiums over and above the dividends he has received. The gentleman who qualifies for that dubious honor was the commander in chief of the American Expeditionary Forces in World War I, Gen. John J. Pershing. As a member of the Armed Forces of the United States, General Pershing took out a $10,000 insurance policy. He carried it until he died. His estate received $10,000. For that policy of $10,000 General Pershing paid into the World War I insurance fund $16,499.60. He received in dividends $306.20, or a net total paid in during his lifetime of $16,193.40.

You might think that General Pershing is the only one who is in this field, that he was old in World War I and therefore is an unusual case. The Veterans' Administration and those who have charge of the insurance program have told me that during fiscal year 1962 we had 69 veterans whose estates or beneficiaries received insurance, each one of which had paid into the fund a great deal more money than they received; and they informed me that within the next few years the members of World War I who are more than 65—and we have some who served in World War II who are now over 65, who have already paid into the fund more than the face value of their policy after deducting all dividends.

It is for this reason, and if any benefits are to be given to the men they should not suffer the same injustice. This is one feature that the committee was unanimous on, and I hope there will be no attempt to try to extend term insurance under any provisions of this bill.

One of the unusual features is that the bill that was proposed by the Veterans' Administration that there should be only term insurance for one 5-year period after the members who served in World War II were entitled to take out this insurance reached age 50. Since the average of the men who served in World War II is now 45 years, it means that he would only have this insurance for a period of 5 years. Because of this feature, I certainly hope that the position will be sustained as far as term insurance is concerned.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Do I understand if this bill were to become law it would take care of the veterans of World War I who have this so-called term insurance?

Mr. SAYLOR. No, it will not take care of the veterans of World War I. This will affect only those men who entered the service between October 7, 1940, and January 1, 1957.

Mr. VAN ZANDT. Then these exorbitant premiums that the World War I veteran is paying on his insurance will continue?

Mr. SAYLOR. They will continue. The men who carry their World War I insurance have a different contract and cannot be covered in this bill. The Veterans' Affairs Committee did report out, Congress passed, and the President has just signed a bill that will afford these men some relief.

Mr. VAN ZANDT. Did the committee consider the plight of the World War I veteran who holds this insurance?

Mr. SAYLOR. No, not in relation to this bill, because World War I insurance must be considered in a separate act. But this is a matter the chairman of the Veterans' Affairs Committee assures us will be considered by that committee in the next session of the Congress.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

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

Mr. TEAGUE of Texas. The majority of the mail that the Committee on Veterans' Affairs received is from World War I veterans who cannot afford to keep their insurance and they cannot afford to drop it. That is the reason I am unalterably opposed to term insurance.

Mr. AYRES. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. FINO].

Mr. FINO. Mr. Chairman, in 1951, Congress passed a law which suddenly and arbitrarily terminated the rights and privileges of World War II veterans to apply for new insurance or reinstatement of their national service life insurance. This, to me, represented a sneak attack on the rights of our war servicemen, who had been given assurances that they could apply for insurance at any time after discharge. This statute has created not only a great hardship, but has perpetrated an injustice to our veterans and their families.

Millions of veterans dropped their insurance after discharge, either because of financial difficulties, or because they felt that they did not need it while still unmarried. Now that they have been rehabilitated into civilian life, acquired families and other responsibilities, they find that Public Law 23 has cut off their rights.

The purpose of this bill, H.R. 12333, is to permit veterans, within 1 year after date of enactment, to apply and receive Government insurance subject to medical requirements. This proposal will not add any additional cost to the Government—since this insurance program pays for itself—and will greatly benefit millions of veterans. It is a remedial piece of legislation that removes a discriminatory law and corrects a gross injustice.

Mr. TEAGUE of Texas. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. DULSKI].

Mr. DULSKI. Mr. Chairman, I rise in support of this legislation as presented which is before us today to permit veterans who served our country during the period between October 8, 1940, and December 31, 1956, to reinstate their national service life insurance. I introduced such a bill early in this Congress, and I feel it is a long-needed correction of an injustice that was done in 1951. I am opposed to the recommittal motion.

Many of these veterans were not given sufficient warning, and reopening the right for them to reinstate this insurance is only fair. Many, upon their discharge from military service, were comparatively young and had no realization of the value and importance of this insurance. It has been brought to my attention that in some cases veterans were even advised to drop this Government life insurance by service personnel who were uninformed.

This legislation will result in no cost to the taxpayer. The veteran will be required to pay the administrative cost, which is estimated at $5 per policy.

All veteran groups favor reopening for 1 year for insurable and service disabled veterans of World War II and of the Korean conflict. This organization is not opposed to the period included in the bill to permit veterans who served our country during the period between October 8, 1940, and December 31, 1956, to reinstate their national service life insurance. There are approximately 16 million veterans who would be eligible.

In 1951, when the national service life insurance program was abruptly discontinued, the average World War II veteran was 31 years of age. At that time, he could have purchased a $1,000 national service life insurance policy on the ordinary life plan at a net annual premium of approximately $13.33. Today 11 years later, at age 42, this same coverage would cost $20.92. If reopening is delayed much longer, the cost of national service life insurance will become too expensive for the average veteran to purchase.

In fact, time has already run out for the over one-half million veterans who died between the years 1951 and 1961. Over 400,000 of these deaths were not covered by any form of Government insurance. Of the approximately 100,000 deaths that did leave some insurance for the protection of their widows, minor children, and dependent parents, the vast majority carried less than $10,000, the maximum amount allowable. Aproproximately 44,000 veterans of the Korean conflict died over this same period and of this number only about 6,000 carried Government insurance at the time of death. Because the large majority of these veterans were deprived of the right to contract with their Government for a policy of life insurance at a premium they could afford to pay, many of their widows, orphans, and dependent parents are now faced with serious financial problems that could have been somewhat easier if some insurance were payable.

According to statistics contained in VA Research Monogram No. 5, July 1961, pages 2 and 7, 92.2 percent of all living veterans of World War II are married or have other dependents. Veterans between 30 and 44 years of age—58 percent of the total veteran population—have the largest families. Almost 70 percent have at least two children under 18 years of age, and 38 percent have three or more. This age group represents the bulk of the World War II and Korean veteran population. I believe that it would be in the interest of equity to give these veterans an opportunity to purchase NSLI or bring their existing protection up to the maximum amount allowable for the protection of these dependents. I have no way of knowing how many of the World War II and Korean conflict veterans who died over the past 11 years would have purchased national service life insurance or brought their existing protection up to the maximum, if such right had existed. I do know, however, that at the time this right was discontinued, these veterans were just reaching the time of most need, and the age in which they would have become most insurance-conscious. According to information published by the Life Insurance Agency Management Co., 42 percent of all ordinary life insurance policies written in the year 1959 were on the lives of persons between the ages of 25 to 44. The largest amount of insurance—63 percent—was written between these ages.

There are many reasons why so many veterans of World War II permitted their insurance to lapse at time of demobilization or shortly thereafter. Some of the reasons were due to administrative difficulties experienced by the Veterans' Administration because of the rapid and unprecedented demobilization, with the resultant inability to promptly and fully advise these veterans so that they could act in time to maintain their insurance protection. Other veterans were improperly advised at the time of separation from the service, while some simply could not afford the insurance due to economic hardship during the readjustment postservice period. They were reestablishing their families, completing their education, and trying to find jobs. I believe a great many of these veterans allowed their insurance to lapse simply because they were too young to appreciate its value. This is not an unusual circumstance. According to Mr. W. T. Scully, Southwestern Life, Sherman, Tex., in an address to the July 1961 meeting of Austin Association of Life Underwriters—as reported in the National Underwriter magazine, August 5, 1961—this condition continues to exist today in the younger age group. Mr. Scully stated in part:

> Young men are particularly difficult to sell to because they can't visualize themselves dying too soon or living too long.

Veterans of the Korean conflict, for the most part, found that the 120 days allowable in which to purchase the nonparticipating, nonconvertible type of insurance then available were insufficient. Some did not enjoy even 120 days, depending upon the date they were separated from the active military service. Those who remained in the service beyond December 31, 1956, were barred from securing any Government insurance upon separation unless they could establish service connection for a disability.

Reopening the right for these war veterans to obtain national service life insurance protection or to bring their existing contracts up to the maximum amount allowable, for a limited period, would not have the effect of continuing the Government in the insurance business beyond the duration of the existing program. The veterans who would be eligible to new policies are in the same age categories as existing policyholders.

I do not believe that the reopening of the national service life insurance program for a limited period would place the Government in unfair competition with commercial life insurers, but rather it would serve as a stimulus to the industry. According to a spokesman for the industry, Mr. W. D. Grant, president, Business Men's Assurance, in an address to the Financial Analysts Society of San Francisco, as reported in the October 14, 1961, edition of the National Underwriter magazine, the life insurance business in the United States has been growing at about twice the rate of the Nation's economy, and eight times as fast as the population. Life insurance in

force at the end of 1960 was $618 billion. This is 60 percent more than 5 years previous. At the same time, the gross national product increased 27 percent to $503 billion. In my opinion, these figures establish that the size and strength of the insurance industry is such that it would not be jeopardized by a limited reopening of the right for veterans to pick up their national service life insurance. The total life insurance in force at the end of 1961 totaled $714 billion. Of this amount, $419 billion was ordinary insurance. As a matter of fact, many successful life insurance agents tell me that reopening national service life insurance for a limited period would be good for their business as it would expose to them a new source of future prospects. This certainly was their experience in the post-World War II era.

If we pass the motion to recommit with the instructions that this legislation be limited to service-connected veterans, we are eliminating 14 million veterans, because there are approximately 2 million veterans in the former class. Of these 2 million that are already covered, there are a great number excluded, because of the waiver premium.

This is placing the veterans in two groups, and I feel, setting a precedent.

I strongly urge the motion to recommit be defeated.

Mr. TEAGUE of Texas. Mr. Chairman, I yield such time as he may desire to the gentleman from North Carolina [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, I rise in support of this bill. It seems to me that we ought to pass the bill that came out of the committee, if we are going to do something for disabled veterans, and certainly I am for that. We ought to do what we can for them. Their country owes that to them. But I do not think we ought to make this insurance program hinge on disability. Take a man who served in World War II or World War I and his insurance has lapsed for some reason or another, he served his country just as well, he did the job that was required of him.

Mr. Chairman, the bill we have under debate today is, in my opinion, one of the most important veterans' measures that we have considered in the House at this session. H.R. 12333 is of great significance to millions of our veterans, who, for various reasons, let their national service life insurance lapse or who did not make application for it when they had the opportunity.

The bill we have under consideration will authorize for a 1-year period the granting of national service life insurance to veterans heretofore eligible to apply for such insurance between October 8, 1940, and December 31, 1956, inclusive.

The new insurance program to be set up under this legislation will not result in any significant cost to the Government. In fact, the administrative cost of the insurance program will be borne by the policyholders.

Thousands of our veterans were not financially able to retain their national service life insurance after their discharge from the military service. Many other veterans allowed their insurance to lapse by mistake. It is my sincere belief that our veterans have earned the right to have national service life insurance and that they should be given the opportunity once again to make application for it.

As a veteran of World War II and as a past commander of the American Legion in North Carolina, I have always been concerned with the problems of our veterans and their dependents. I know of no bill that we have considered in the Congress more worthy of support than H.R. 12333. It is my hope that the legislation will be enacted.

Mr. ALEXANDER. Mr. Chairman, I ask unanimous consent that the gentleman from North Carolina [Mr. WHITENER] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there obejction to the request of the gentleman from North Carolina?

There was no objection.

Mr. WHITENER. Mr. Chairman, as one of the first bills I introduced after coming to the Congress was a measure to reopen the national service life insurance program for our veterans, I am particularly pleased that we have H.R. 12333 under debate today. The provisions of this bill are in line with legislation I have introduced in every Congress since I have been a Member of the House of Representatives.

My first bill, H.R. 5401, was introduced on February 27, 1957. I subsequently introduced measures in the 86th and 87th Congresses to give our veterans, whose insurance had lapsed or who had never applied for it, the privilege of applying for national service life insurance.

Mr. Chairman, many of our veterans lost their national service life insurance by reason of the fact that they were not properly notified by the Veterans' Administration of the lapse of their policies. Numerous other veterans lost their insurance due to economic hardship or insufficient information as to their rights and privileges under the National Service Life Insurance Act.

The Committee on Veterans' Affairs is to be commended on bringing this bill to the floor. I cannot see how anyone could be opposed to its enactment. Eligible veterans will have only 1 year to make application for insurance under this program. In addition, the administrative costs of the program will be borne by the policyholders.

Mr. Chairman, our veterans have certainly earned the right to have national service life insurance. I do not believe that the enactment of this bill will have any adverse effect on the programs of our private insurance companies. On the contrary, I feel that it will stimulate an interest in insurance on the part of our veterans and their dependents.

It is my hope that my colleagues in the House will join with me in supporting H.R. 12333.

Mr. TEAGUE of Texas. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey [Mr. JOELSON].

Mr. JOELSON. Mr. Chairman, I rise in support of H.R. 12333.

Mr. Chairman, I have considered H.R. 12333 carefully and have decided it merits my full support. As the Administrator of the Veterans' Administration, J. S. Gleason, Jr., has stated:

> The withdrawal in 1951 of the privilege theretofore granted to millions of World War II veterans to secure insurance—many of whom had not yet determined their insurance needs—may well have caused hardship or unwise decisions in many instances. I believe, therefore, that an extension of this privilege for a limited period, to veterans who were previously eligible for insurance by reason of service to their country is appropriate. Furthermore, with respect to veterans who served prior to 1951, adequate recognition has not been given to the obligation of the Government toward those veterans whose insurability has been seriously impaired, if not lost, by reason of their service-incurred disabilities.

My vote will indicate my agreement with Administrator Gleason's point of view.

Mr. AYRES. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. HALPERN].

Mr. HALPERN. Mr. Chairman, I rise in support of the committee bill and I strongly oppose the proposed recommittal motion.

As a member of the Veterans' Affairs Committee and as one long concerned with the problem of lapsed national service life insurance, I have thoroughly reviewed every aspect of the issue. I have concluded that the legislation is wholly warranted and trust it will be overwhelmingly approved. I further trust that the motion to recommit with its instructions to include the proposed amendments—which, in my opinion, would cripple the bill—is resoundedly defeated.

As a matter of fact, I would have liked to have seen the committee report a broader bill along the lines of the legislation I introduced, H.R. 5873. But, short of obtaining the full reopening for a limited period, I feel that the committee proposal provides a major answer to the problem, and, since this is the only bill before us, I heartily commend it to my colleagues.

There is no question that there is need for this legislation. There are many reasons, mostly economic or unawareness of the restriction of the law, why these veterans permitted their policies to lapse or failed to take out new insurance properly to protect their families.

Fairness justifies our taking action now to remedy a situation where many GI's, through no fault of their own, are being denied the right to this insurance. Opening the opportunity for a limited period will be a recognition of our responsibility to assure that this long-overdue relief will be granted. The passage of this legislation would restore the right taken away from so many GI's who were deprived of it as a result of the abrupt enactment of the insurance law of 1951.

I fervently hope the committee bill will prevail.

Mr. McDOWELL. Mr. Chairman, I rise in support of H.R. 12333, which would provide a 1-year period during which persons previously eligible for national service life insurance by reason

of military service after October 7, 1940, and prior to the effective date of the bill could apply for and be granted such insurance.

The American Legion has stated:

The American Legion is glad to share the obligation to act with integrity and responsibility in providing programs for veterans. We think the requests of our organization on behalf of veterans have been reasonable, and have taken account of the interest of the public as well as that of veterans concerned. We know that asking "too much" for veterans generally might in the long run react to the detriment of the service-disabled. As for our reopening proposal, however, it should be clear to everybody interested that the legislation would result in no cost to the public except in the case of the service disabled. This latter amount would be small and would be far outweighed by the overall good to be accomplished.

Although there are certain complexities surrounding the details of the proposal to reopen NSLI, the basic question to be answered is fundamental and clear: Considering the historical precedent and other circumstances, did the Government do an unfair thing in 1951 when it terminated the life insurance program without adequate notice to the veterans involved; and, should the Government now correct that injustice and reopen the program for a limited period? The American Legion feels the answer to this question is "Yes."

There is no question that many veterans in the period following their military service, while attending school or for other economic reasons, let this insurance lapse. The right to reinstate was abruptly terminated without warning in 1951.

H.R. 12333 would authorize the issuance of national service life insurance to all eligible veterans except certain Philippine veterans whose rights to such insurance were restricted by the Rescission Acts of 1946.

The Bureau of the Budget has stated that it would not object to a limited period of reopening during which eligibility to take national service life insurance and keep it in force would be restricted to those not in military service who between October 8, 1940, and January 1, 1957, would have been eligible for insurance.

The Budget Bureau further stated that if so limited, its most serious concern would be eliminated, that is, the potential adverse impact of reopening on the existing comprehensive program of benefits for servicemen and for ex-servicemen deceased from service-connected causes.

Further, the Budget Bureau recommended that rates for national service life insurance, if offered, should be based on the most modern actuarial tables, that it should be fully self-supporting as to administrative expenses and benefit costs, and that the policies issued should be nonparticipating, that is, any surplus funds should be transferred to the general fund of the Treasury.

H.R. 12333, as reported, would reopen the national service life insurance program for certain veterans in good health and for veterans who have a service-connected disability—regardless of degree—who are otherwise in good health. With respect to such veterans, H.R. 12333 would cover, first, persons who served after October 7, 1940, and prior to April 25, 1951, whether discharged or not; and, second, veterans who served after April 24, 1951, and who were discharged prior to January 1, 1957.

As far as veterans who were disabled while in service, H.R. 12333 would cover those who served after October 7, 1940, and who were discharged and rated as service disabled prior to the effective date of the bill.

There are approximately 16 million veterans who would be eligible to apply for insurance if H.R. 12333 became law. Of this 16 million there are around 2.2 million who have less than $10,000 of insurance. There are approximately 1,800,000 service-disabled veterans who would be potentially eligible for insurance under H.R. 12333 provided they do not now have the maximum coverage of $10,000. Of this number, about 1,048,000 are rated 10- and 20-percent disabled and it is probable that a large proportion of these veterans would be able to qualify under the good health provisions of H.R. 12333 for participation in national service life insurance.

The Veterans' Administration estimates that 1 million policies will be issued if H.R. 12333 becomes law, of which 100,000 will be issued to service-disabled veterans.

At present, 6 million former servicemen subscribe to national service life insurance, which was available for purchase by World War II veterans until 1955 and is available to Korean war veterans until 120 days after they leave the service.

The Wall Street Journal, August 3, 1962, reported that the insurance program authorized by H.R. 12333 "would pay its own way, including administrative costs, which isn't a requirement under current law. Also, the new insurance, unlike existing insurance, would not pay dividends, meaning premiums would, in most instances, be lower than those prevailing."

Mr. ADDABBO. Mr. Chairman, I rise in support of H.R. 12333, providing for the limited reopening of national service life insurance.

There will be no cost to the American taxpayers, as some have charged, as the administrative costs will be included in the premium paid by the veteran.

Many veterans, when discharged, did not receive full information on their national service life insurance and did not realize what they were giving up when they failed to continue it after discharge. They should now be given the opportunity to secure this insurance when they are older and know the value thereof.

In my opinion, the enactment of this legislation will benefit those who sell insurance, because it has been proved that a previous reopening stimulated the purchase of insurance because the average person became insurance minded when he stopped to consider what insurance meant to him and his family.

The terms under which those securing insurance under this reopening will in no way affect those who continued their insurance after discharge from service. They will continue to receive their benefits under existing programs.

As a member of the Committee on Veterans' Affairs, I urge my colleagues to support this meritorious legislation.

Mr. MONAGAN. Mr. Chairman, I favor the committee bill and I oppose the motion to recommit. The bill—H.R. 12333—is the unanimous proposal of the Committee on Veterans' Affairs. It is similar to one which I have sponsored. It is entirely reasonable in its provision for a limited opportunity for veterans to reacquire insurance opportunities which were freely accorded them during and immediately after World War II and the Korean conflict.

This will not cost the U.S. Government anything, and it will be a legitimate and constructive way to recognize the contributions which members of the American Armed Forces made during World War II and the Korean conflict.

I believe we should adopt the bill as it was reported by the committee.

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

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. How about the hearings on this bill? Were there lengthy hearings held?

Mr. AYRES. I will say to the gentleman from Pennsylvania that over the past 12 years we have had stacks of hearings, in every Congress, beginning with the 81st, before Public Law 23, 73d Congress. Specifically the last hearings on this subject, 3 days, in 1961.

Mr. VAN ZANDT. Stacks of hearings? How do the various veterans' organizations stand on it?

Mr. AYRES. As the gentleman from Texas [Mr. TEAGUE] pointed out, the major veterans' organizations are for some liberalization of the program.

Mr. VAN ZANDT. If the gentleman will yield further, the gentleman means by "major veterans' organizations" the American Legion, the VFW, the AMVETS and the DAV?

Mr. AYRES. That is correct; the four major veterans' organizations.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

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

Mr. TEAGUE of Texas. I think the gentleman should know that this reopening of insurance has been one of the major legislative aims of the American Legion for a number of years. I am confident also that this bill does not go as far as the American Legion would like to go.

Mr. AYRES. Mr. Chairman, the Members of the House will recall that over a year ago this House passed a compensation bill, H.R. 879. The most recent bill, H.R. 10743, carried an estimated cost of $98 million the first year. Now, there is a difference between pension and compensation. Compensation is that which is paid to a veteran who has a service-connected disability. Over a year ago when the House passed a compensation bill it was hoped that the other body would pass it within a few weeks. However, there was controversy in the other body and the bill that we have before us today was tacked onto

the compensation bill, H.R. 879, as a rider, and later to H.R. 856.

Mr. Chairman, when it is said that this bill was voted out of the Veterans' Affairs Committee unanimously, that is correct. But the reason that it was voted out of the committee was to keep our word with the other body and report a bill dealing with NSLI to the House of Representatives.

Mr. Chairman, I have been a member of the Veterans' Affairs Committee for 12 years. During that period I have served under three chairmen, including the late Mr. Rankin, of Mississippi, the late Mrs. Rogers, of Massachusetts, and our present chairman, the gentleman from Texas [Mr. TEAGUE]. Our chairman has been criticized, and in some circles very severely, for something over which he had absolutely no control. He brought the compensation bill to the House of Representatives and we passed it. But before one makes up his mind on how one is going to vote this afternoon, bear this in mind: Due to the inaction of the other body, over $125 million have been denied the men and women who suffered service-connected disabilities while serving our country.

If the motion to recommit prevails, our chairman who has the respect and esteem of everyone in this House, will have gone over and beyond the normal call of duty in attempting to get the $98 million a year that has been denied the service-connected veterans of this country. We all realize that our first obligation is to the service connected; and, in fact, I think the American people, veteran and nonveteran, are becoming aware of the fact that if we expand these veterans' programs to cover everyone who wore a uniform we are going to harm the very ones we want to help most, those who became injured while serving their country.

I do not think there is a Member of this House that would deny any service-connected veteran the right to purchase insurance so that his wife and children may have this protection in the event of his death. Our World War II veterans and Korean veterans have made a wonderful record. You may have read the report recently released by Mr. William J. Driver, Deputy Administrator of the Veterans' Administration showing that World War II and Korean veterans have proved themselves to be wonderful citizens. But in this group we have 1,800,000 who have a service-connected disability. In this group it is estimated that there are possibly thousands who would not qualify for private insurance, and that is the group we are trying to help.

My motion to recommit will limit the NSLI program to those veterans who are listed on the VA rolls as having a service-connected disability who do not meet good health standards as prescribed by the VA. The administrative costs would be paid by the Government as was true in the case of World War II veterans. The premium rates charged make the program self-supporting insofar as death claims are involved and this is expected to be true under my amendment.

The gentleman from Texas, the chairman of the committee, joins me in support of the motion to recommit. This is a logical approach. It is a sensible approach and in the final analysis I think the way it will work out we will have done that which is right for the man who served his country and suffered disability thereby. My amendment provides for nonparticipating insurance—no dividends. My amendment is effective the first day of the seventh month following enactment.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield.

Mr. ROGERS of Colorado. Do I understand that if the gentleman's motion to recommit prevails then we have some assurance that the disabled veterans' increased compensation that we voted on at least two separate occasions will be approved by the other body?

Mr. AYRES. It is my understanding that the chairman of our committee has fulfilled whatever obligation they thought he might have, by bringing the bill to the floor of the House for a vote.

Mr. ROGERS of Colorado. By virtue of the fact that the bill has been brought to the floor, does that give us any intimation whatsoever that the other body will recede from the position they have taken which has stifled the needed increase to these disabled veterans?

Mr. AYRES. I have great respect for the other body. I do not think there is a man in that body who would deny any longer giving the $98 million to the service-connected veterans of this country.

Mr. ROGERS of Colorado. The gentleman says they would not deny it. Is it not a fact that for a period of 2 years every time we passed an increase for the disabled veterans they always attached this legislation to that proposal?

Mr. AYRES. The term I would like to use is probably one that should not be used in the Halls of Congress, but I think the situation over there has somewhat changed in the last few weeks.

Mr. ROGERS of Colorado. I hope so.

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

Mr. AYRES. I yield.

Mr. HALEY. Would not this be a fair statement: At least by the adoption of this amendment in this bill we are making just a little bit of progress toward getting what the House wanted 2 years ago?

Mr. AYRES. I think by the adoption of this motion to recommit, as I said before, we will have taken a step in the right direction. The American people realize it is not the House of Representatives that has denied disabled veterans the $125 million they would have received had those on the other side of the Capitol followed our leadership.

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

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

Mr. MICHEL. First, I want to commend the gentleman for stating the case as he has this afternoon. One further question: The gentleman stated this bill would provide that every disabled veteran who is now uninsurable will be given an opportunity to get $10,000 of insurance?

Mr. AYRES. Every service-connected veteran who is uninsurable will be eligible to get insurance under my amendment.

Mr. MICHEL. I would suppose that in the legislative history of this thing it would go just a bit beyond that, because we know there are some private insurance companies who will give insurance to a disabled veteran for a premium above that charged those who are in good health. I would hope that this would also permit those disabled veterans who cannot get the standard premium for their insurance to qualify under this bill, so that they can get insurance under the standard premium schedule as the gentleman has described it here.

Mr. AYRES. They will be given that opportunity, and that authority is vested in the Administrator of Veterans' Affairs and the premiums are the same as available to World War II veterans, service connected, the so-called GI insurance.

Mr. MICHEL. So we would assume that the Administrator, though private insurance companies were offering insurance at a higher rate, would still tip the scales in favor of the veteran to let him get it at the lower premium rather than the higher one?

Mr. AYRES. There is no doubt in my mind that the Administrator of Veterans' Affairs, who is the past national commander of the American Legion, will be very fair in the manner in which he interprets the legislation I hope we pass this afternoon.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Your bill provides that the bill reopen the national service life insurance program for certain veterans in good health, and so forth. The period covered here is October 7, 1940, and prior to April 25, 1951.

Mr. AYRES. The motion to recommit concerns only service connected. The dates are the same—October 8, 1940, to December 31, 1956, inclusive.

Mr. VAN ZANDT. I am talking about the bill.

Mr. AYRES. I am talking about my motion to recommit.

Mr. VAN ZANDT. I am talking about the bill.

Mr. AYRES. Any person heretofore eligible to apply for national service life insurance after October 7, 1940, and before January 1, 1957. The eligibility dates for both the committee bill and my amendment are identical.

Mr. VAN ZANDT. Let us take a veteran who served in World War II and was automatically covered by insurance, and deductions were made from his pay monthly. He leaves the service and he permits the policy to lapse. If this bill as reported out by the committee becomes law, that veteran could then reinstate his wartime insurance policy?

Mr. AYRES. No. There was no automatic insurance in World War II—only premium paying. This is new insurance, not a reinstatement of an old policy.

Mr. VAN ZANDT. Did the committee take into consideration the economic condition of this veteran, the financial condition of the veteran when he left the service?

Mr. AYRES. We took into consideration the economic condition of the veteran. Let me cite my own personal situation. I permitted my national service life insurance to lapse which was nobody's fault but my own. I would be eligible for insurance under the committee bill. As I now am approaching the age of 46, I would be very happy to pay the few dollars extra required in annual premiums to private enterprise, to some insurance agent at home, who also may be a veteran, who also has a wife and children and who is trying to earn a living, rather than return to the Government and say, "I made a mistake; now bail me out."

Mr. VAN ZANDT. The gentleman from Ohio when he made that mistake would include himself among millions.

Mr. AYRES. No, I do not think many of them were as foolish as I was.

Mr. VAN ZANDT. Then say they were not, but millions permitted the policy to lapse, either because they were not interested, or were anxious to get home, or they did not have the money.

Mr. AYRES. The figures show they let their policies lapse for a variety of reasons.

Mr. VAN ZANDT. Is it not true that Members of Congress are entitled to a special type of insurance at pretty low rates?

Mr. AYRES. I do not know. Maybe I ought to look into that, too. I do know there is a group insurance policy available to all Federal workers.

Mr. VAN ZANDT. I have a policy over in my office for it.

Mr. AYRES. The point is that the real problem is taking care of the man who cannot get private insurance.

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

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

Mr. ROUDEBUSH. I would like to know if a disabled veteran under your motion to recommit, who has never had NSLI, would be able to apply for that insurance.

Mr. AYRES. Yes, he would.

Mr. ROUDEBUSH. Secondly, would the disabled veteran who qualifies under the motion to recommit and reestablishes his insurance, then be allowed to participate in the so-called dividends on his policy which he currently cannot do?

Mr. AYRES. This amendment and the bill as reported does not include a dividend provision.

Mr. ROUDEBUSH. In other words, the disabled veteran would not be allowed to participate in the dividends?

Mr. AYRES. No.

Mr. TEAGUE of Texas. Mr. Chairman, I yield such time as he may require to the gentleman from Missouri [Mr. RANDALL].

Mr. RANDALL. Mr. Chairman, in the last few minutes here, several Members have inquired here at the committee table as to the position of some of the major veterans' organizations with respect to H.R. 12333. I think I can answer that in part because I happen to have with me a telegram which was just received and which I would like to read at this time. It is from the national commander of the American Legion, Charles L. Bacon. The telegram is as follows:

WASHINGTON, D.C.,
August 16, 1962.

Hon. WILLIAM J. RANDALL,
Washington, D.C.:

The American Legion appreciate actions by the House Veterans' Affairs and Rules Committees in bringing H.R. 12333 before the House. Sixteen million veterans and their families are potentially eligible to benefit from favorable action on this NSLI reopening measure, at no cost to the Government. It is my earnest hope you will support the bill.

CHARLES L. BACON,
National Commander,
The American Legion.

Mr. Chairman, I would like to make it clear that as a member of the House Veterans' Affairs Committee I rise in support of the bill as it came out of the committee unanimously, without all of the talk of limiting only to service-connected disabled veterans. This telegram is from one of the largest veterans' organizations and in America there are other major veterans' organizations which, we understand, by the mandates of their national conventions have gone on record as being for the bill calling for provisions beyond that which was reported by the committee, that is, including term insurance rather than excluding term insurance. The gentleman from Pennsylvania a moment ago spoke of certain changes that were made in committee. The provision for term insurance was stricken by the committee, and perhaps rightly so. That was by the unanimous action of the committee. So far as I know there was no discussion of this committee amendment before the Committee on Rules this morning. It was adopted unanimously by the Veterans' Affairs Committee.

But let us talk for a while about the service-connected disabled veterans compensation bill which has been twice delayed by twice having an NSLI rider attached to it. If this motion to recommit which it is said will be offered prevails, I do not know whether that will satisfy the other body or not. It has been suggested it will and they will now pass a compensation adjustment bill, but I do not know. The best way to assure that we are going to get a long needed compensation bill for these men who have not had an adjustment since 1957 is to pass the bill that was reported from the committee unanimously.

If I may take a few additional minutes, I would like to relate what happened when our committee met to consider H.R. 12333.

An amendment was offered by the gentleman from Pennsylvania [Mr. SAYLOR], a member of the committee, to the effect that the reopening would be limited to those forms of insurance described as ordinary life, 20-pay life, and 30-pay life, and some endowment plans, but that term insurance would not be reopened.

Another provision offered as an amendment was that insurance would be made available to service-connected disabled veterans.

For our part, we concurred in these two departures from the bill as originally written which would have given this reopening right to all veterans heretofore eligible to apply for NSLI after October 7, 1940, and before January 1, 1957. Everyone on the committee was in agreement that the amendment was a wise one because there are many instances on record where veterans have paid in more in total term insurance premiums during their lifetime than they received in insurance settlements to their beneficiaries. The classic example of this instance is that of Gen. "Blackjack" Pershing as to whom it is reported paid in over $22,000 in premiums for term insurance and his beneficiaries received in return only $10,000 when he passed on. There may have been those who would have preferred to have had the right to reopen to include term insurance, but with advancing years this might not have been in their own best interest. There was no quarrel or any argument among any of the committee members as to this change.

A second departure from the original bill provided for by a committee amendment was that if a person otherwise qualified by being entitled to it within the time period from 1940 to 1957 should apply, and could not qualify for insurance solely because of a service-connected disability for which compensation would be payable, shall, notwithstanding such disability, be granted insurance—other than on the 5-year level term plan—just the same as any other veteran, except, of course, there should be an additional premium to cover administrative cost to the Government. In other words, for the first time, NSLI was extending the right to disabled veterans with, of course, premium payments to be adjusted according to the disability.

Everyone on the committee thought these two changes improved the bill, and so far as we knew, the bill went out from the committee with everyone in complete agreement and it was the impression of the committee members that the bill would not go to the Rules Committee but would come up on the floor on the Suspense Calendar, on either Monday, August 6, or Tuesday, August 7. We were not in attendance on either of those days because of the Missouri primary and were in our home district. We understand there was some objection to consideration of the bill by some of the minority members of the committee, and accordingly, the chairman agreed to ask for a rule. There was a meeting of the Rules Committee this morning, Thursday, August 16, and a rule was granted for consideration of the bill today.

Now, what is the situation as the bill comes on for debate? Some of us who are members of the committee learned for the first time that there will be a motion to recommit offered when the committee rises, with instructions that the committee report back the bill, striking out the right of reopening for insurance to all veterans save and except

those with service-connected disability. Some members of the committee who had previously concurred in the committee-amended version, including ordinary life and 20- and 30-pay, now have apparently done an almost complete right-about-face and say that there should not even be a reopening right of 1 year save and except for those who can qualify as service-connected disabled veterans.

Let us hasten to emphasize that we certainly have no brief or complaint against insurance being granted for the first time to service disabled. That is good and it is needed. But we do not believe it should stop there. We do not believe it should be confined to this group only. Our reason is that we think we know why many of the veterans who are otherwise eligible to have this insurance do not have it today. It was because during those first few years after the conclusion of World War II there was a pretty severe period of readjustment. They just did not have the means or wherewithal to pay the premiums. It was said here on the floor today by a member of the committee that if a veteran does not carry this insurance today it is his own fault. Can it be said that it is the fault of a person who is willing to work and tries hard to find employment but just cannot find a job? And this was certainly true of many of those who had to drop their insurance because of the lack of means to pay the insurance premiums in the year following the end of World War II, mostly in 1946. No, Mr. Chairman, now that the period of readjustment is passed and there were many who were not able to carry this insurance through no fault of their own, simply because of unemployment and because of the other hardships and rigors of adjusting again to civilian life, these veterans should now be given this right again for a limited period of 1 year to reopen this insurance.

We have received some mail in opposition to this right of reopening from some life insurance representatives. We respect their right to oppose this reopening. But we are reminded of some testimony which took place on the committee when it considered this bill in 1961 and there was then on the committee a member who is a certified life underwriter, who had belonged to the Million Dollar Club several years in a row. The conclusion of this member was that the publicity attendant to the granting of this reopening right would focus the attention of all veterans upon their insurance program. Maybe they would find their entire insurance program was inadequate. In any event, they would become insurance minded or conscious of the lack of adequate insurance and it was this considered conclusion of a life insurance man with wide experience, and one who had received high honors in the insurance field, that the reopening would not in any way injure private insurance companies, but would inure to their benefit. We concurred with his views because we believe that with term insurance stricken out, many veterans would find ordinary life premiums of NSLI higher than they had anticipated and may not, in fact, exercise the right or option granted to them under the proposed bill. This is particularly true because now the average age of all World War II veterans is in the middle forties.

But, Mr. Chairman, the right should be accorded to these veterans and let them make up their mind whether they want to exercise the option or let it go by again for the last time. They should not be foreclosed this right when in so many instances the insurance was dropped because of the economic pressure of the period of readjustment to civilian life which every returned veteran had to experience in the year or two after his discharge.

Mr. TEAGUE of Texas. Mr. Chairman, I yield such time as he may require to the gentleman from North Carolina [Mr. TAYLOR].

Mr. TAYLOR. Mr. Chairman, I rise in support of this legislation which is applicable to some 16 million American citizens who served in World War II and the Korean war.

Many veterans were very young. Some were minors at the time they allowed their service insurance to lapse. They had limited family responsibility and limited financial resources. Now they are older. Their family responsibilities are much greater and many now see the need for reinstating their service insurance.

The reopening of the right to apply for national service life insurance as provided in H.R. 12333 will not cost the Government any money whatsoever. Even the administrative cost of the program will be borne by the policyholders. It will not adversely affect the veterans who are now covered by policies of service insurance.

In my opinion this legislation is worthy of our support. I would like to quote from an editorial appearing last Sunday in the Asheville Citizen-Times entitled "GI Insurance a Useful Program":

Congress should vote to reopen the GI insurance program to veterans of World War II whose policies have lapsed. Only about one-fourth (5.6 million) of the 20-million-odd men and women who saw service in World War II are still covered by this insurance.

The GI policies are less expensive than any other similar protection. The unfortunate thing—as demonstrated time and again here in western North Carolina—is that many of those who need this insurance have let it lapse. Sometimes the reason was lack of cash to meet the premiums. Sometimes it was plain financial ignorance. Or it may have been a combination of the two.

The Bureau of the Budget and the Veterans' Administration have agreed on a plan that will permit any veteran of military service between October 8, 1940, and December 31, 1956—provided he or she is not still in the Armed Forces—to reinstate or take out for the first time up to $10,000 of national service life insurance.

This measure will give at least a minimum of financial protection to the family of your milkman or that of the man in the next office. Congress ought to reopen this closed door.

Mr. TEAGUE of Texas. Mr. Chairman, I have no further requests for time and ask that the Clerk read.

The CHAIRMAN. Under the rule, the Clerk will read the committee substitute amendment reported in the bill as an original bill.

The Clerk read as follows:

That subchapter I of chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 725. Limited period for acquiring insurance

"(a) Any person (other than a person referred to in subsection (e) of this section) heretofore eligible to apply for national service life insurance after October 7, 1940, and before January 1, 1957, shall upon application in writing made within one year after the effective date of this section, submission of evidence of good health satisfactory to the Administrator at the time of such application, and payment of the required premiums, be granted insurance other than on the five-year level premium term plan under the same terms and conditions as are contained in standard permanent plan policies of national service life insurance, except (1) the net premium rates shall be based on the '1958 Commissioners Standard Ordinary Basic Mortality Table' and shall be increased at time of issue by such an amount as the Administrator determines to be necessary for sound actuarial operations; (2) an additional premium to cover administrative costs to the Government as determined by the Administrator at time of issue shall be charged for insurance issued under this subsection and for any total disability income provision attached thereto, and thereafter such costs may be adjusted as the Administrator determines to be necessary but at intervals of not less than five years; (3) all cash, loan, and paid-up insurance values shall be based on the '1958 Commissioners Standard Ordinary Basic Mortality Table' and all extended term insurance values shall be based on 130 per centum of such table; (4) all settlements on policies involving annuities shall be calculated on the basis of the annuity table for 1949; (5) all calculations in connection with insurance issued under this subsection shall be based on interest at the rate of 3 per centum per annum; (6) all rights under such insurance and any total disability income provision attached thereto, whether in force or lapsed, shall terminate effective upon the date the policyholder enters on active duty or active duty for training under a call or order to such duty for a period of thirty-one days or more; (7) the insurance shall not be payable for death which occurs while the insured is on active duty or active duty for training under a call or order to such duty for a period of less than thirty-one days, if dependency and indemnity compensation is payable in such case at the time of death; however, the cash value, if any, less any indebtedness shall be paid to the designated beneficiary, if living, otherwise to the insured's estate; (8) the insurance shall include such other changes in terms and conditions as the Administrator determines to be reasonable and practicable; (9) the insurance and any total disability income provision attached thereto shall be on a nonparticipating basis and all premiums and other collections therefor shall be credited to a revolving fund hereby established in the Treasury of the United States and the payments on such insurance and disability provision shall be made directly from such fund.

"(b)(1) There is authorized to be appropriated such sums as may be required to provide capital for the revolving fund to carry out the purpose of this section. Such appropriations shall be advanced to the revolving fund as needed and shall bear interest as determined by the Secretary of the Treasury, taking into consideration the average yield on all marketable interest-bearing obligations of the United States of comparable maturities then forming a part of the public debt plus one-eighth of 1 per

centum and shall be repaid to the Treasury over a reasonable period of time.

"(2) The Administrator is authorized to set aside out of the revolving fund established under subsection (a) of this section such reserve amounts as may be required under accepted actuarial principles to meet all liabilities on insurance issued under subsection (a) of this section and any total disability income provision attached thereto. The Secretary of the Treasury is authorized to invest in and to sell and retire special interest-bearing obligations of the United States for the account of the revolving fund. Such obligations issued for this purpose shall have maturities fixed with due regard for the needs of the fund and shall bear interest at a rate equal to the average market yield (computed by the Secretary of the Treasury on the basis of market quotations as of the end of the calendar month next preceding the date of issue) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until after the expiration of four years from the end of such calendar month; except that where such average market yield is not a multiple of one-eighth of 1 per centum, the rate of interest of such obligations shall be the largest multiple of one-eighth of 1 per centum which does not exceed such market yield.

"(3) Notwithstanding the provisions of section 782 of this title, there are hereby authorized to be made available for expenditure out of the revolving fund such sums as Congress may deem appropriate to pay the cost of administration of insurance issued under subsection (a) of this section, and any total disability income provision attached thereto, for transfer to the appropriation, 'General Operating Expenses, Veterans' Administration,' or as may otherwise be specified in appropriation Acts. The Administrator shall from time to time transfer from such revolving fund to the general fund receipts in the Treasury any amounts which he determines are in excess of the actuarial liabilities of such fund, including contingency reserves.

"(c) Any person who applies for insurance under subsection (a) of this section and who cannot qualify for insurance thereunder solely because of a service-connected disability for which compensation would be payable, if 10 per centum or more in degree, shall be granted insurance other than on the five-year level premium term plan under the same terms and conditions as are contained in standard policies of national service life insurance except (1) an additional premium to cover administrative costs to the Government as determined by the Administrator at the time of issue shall be charged for insurance issued under this subsection and for any total disability income provision attached thereto (for which the insured may subsequently become eligible) and thereafter such costs may be adjusted as the Administrator determines to be necessary but at intervals of not less than five years; (2) the insurance and any total disability income provision attached thereto shall be on a nonparticipating basis; (3) all settlements on policies involving annuities shall be calculated on the basis of the annuity table for 1949, and interest at the rate of 3 per centum per annum; (4) the insurance shall include such other changes in terms and conditions as the Administrator determines to be reasonable and practicable; (5) all premiums and other collections on the insurance and any total disability income provision attached thereto shall be credited directly to the national service life insurance appropriation and any payments on such insurance and total disability income provision attached thereto shall be made directly from such appropriation. Appropriations necessary to carry out the provisions of this subsection are hereby authorized. Notwithstanding the provisions of section 782 of this title, there are hereby authorized to be made available for expenditure out of the national service life insurance appropriation such sums as Congress may deem appropriate to pay the cost of administration of insurance issued under this subsection, and any total disability income provision attached thereto, for transfer to the appropriation 'General Operating Expenses, Veterans' Administration,' or as may otherwise be specified in appropriation Acts.

"(d) Notwithstanding the provisions of section 782 of this title, a medical examination (including any supplemental examination or tests) when required of an applicant for issuance of insurance under this section or any total disability income provision attached thereto shall be at the applicant's own expense by a duly licensed physician.

"(e) No insurance shall be granted under this section to any person referred to in section 107 of this title or to any person while on active duty under a call or order to active duty for a period of thirty-one days or more.

"(f)(1) Whenever insurance issued under subsection (a) of this section and any total disability income provision attached thereto is terminated as provided in such subsection, the cash value, if any, less any indebtedness will be held to the credit of the former insured unless he requests payment in cash. Any such amount so held shall bear interest only during such person's continuous active duty or active duty for training. Upon separation from such active duty or active duty for training, any amount held to the credit of the former policyholder shall be payable in cash or may be used by him in connection with the replacement or reinstatement of insurance as provided in this subsection. In the event of death of a person whose policy was so terminated, any amount held to his credit shall be paid to the estate of the former insured, unless such amount would escheat, in which event no payment shall be made. Any person whose policy, not including a reduced paid-up policy, was so terminated while it was not lapsed may, upon written application and payment of the required premium made within one hundred and twenty days after separation from active duty or active duty for training, replace such policy and any total disability income provision attached thereto which was in force at the time of termination. The policy and provision issued to replace the terminated insurance shall be on the same plan and shall not be in excess of the amount of insurance which was terminated. Any person whose policy was so terminated while such insurance was not lapsed may reinstate such insurance and any total disability income provision attached thereto which was in force at time of termination, upon written application, payment of the required premium and reserve within the one hundred and twenty day period specified above. A person whose paid-up policy was so terminated may reinstate such paid-up insurance within the one hundred and twenty day period specified above, and any total disability income provision attached thereto which was in force at time of termination, upon written application and payment of the required premium and reserve. Waiver of premiums and total disability income benefits otherwise authorized under this chapter shall not be denied in any case of reinstatement or replacement of insurance or the disability provision under this paragraph in which it is shown to the satisfaction of the Administrator that the total disability of the applicant began before the date of his application.

"(2) Any person whose rights under a policy or any total disability income provision attached thereto were terminated under subsection (a) of this section, while the insurance and provision were in a lapsed status, may upon separation from active duty or active duty for training, replace such policy and provision on the same plan and not in excess of the amount of insurance terminated, upon written application made within one hundred and twenty days after separation from such duty, payment of the required premium, and submission of evidence of good health satisfactory to the Administrator.

"(3) Any person whose rights under a policy or total disability income provision attached thereto were terminated under subsection (a) of this section, whether the insurance and provision were in force or lapsed, may upon separation from active duty or active duty for training reinstate such policy and provision upon written application, payment of the required premium and reserve, and submission of evidence of good health satisfactory to the Administrator.

"(4) Insurance replaced under this subsection shall be issued at the premium rate for the applicant's attained age on the effective date of the new policy. If the applicant desires to antedate the new policy, he may do so upon payment of the required reserve, but such effective date may not be prior to the effective date of the policy terminated under subsection (a) of this section."

SEC. 2. The amendments made by this Act shall take effect as of the first day of the first calendar month which begins more than one year after the date of enactment of this Act.

SEC. 3. The analysis of subchapter I of chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following:

"725. Limited period for acquiring insurance."

Mr. TEAGUE of Texas (during the reading of the committee substitute). Mr. Chairman, I ask unanimous consent that the further reading of the committee substitute amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The question is on the adoption of the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LOSER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12333) to amend title 38, United States Code, to permit, for 1 year, the granting of national service life insurance to certain veterans heretofore eligible for such insurance, pursuant to House Resolution 763, he reported the same back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

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

The SPEAKER. The Chair will count.

Two hundred twenty-seven Members are present, a quorum.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

Mr. AYRES. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. AYRES moves to recommit the bill (H.R. 12333) to the Committee on Veterans' Affairs with instructions to report the same to the House forthwith with the following amendment: Strike out all after the enacting clause and insert in lieu thereof the following: "That subchapter I of chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"'§ 725. Limited period for acquiring insurance by service-connected disabled.

"'(a) Any person heretofore eligible to apply for national service life insurance after October 7, 1940, and before January 1, 1957, who is in good health except for a service-connected disability which renders him uninsurable according to the standards of good health established by the Administrator shall, upon application in writing made within one year after the effective date of this section, submission of evidence satisfactory to the Administrator that but for service-connected disabilities he is in good health at the time of such application, and payment of the required premiums, be granted insurance other than on the five-year level premium term plan under the same terms and conditions as are contained in standard policies of national service life insurance except (1) the insurance and any total disability income provision attached thereto shall be on a nonparticipating basis; (2) all settlements on policies involving annuities shall be calculated on the basis of the Annuity Table for 1949, and interest at the rate of 3 per centum per annum; (3) the insurance shall include such other changes in terms and conditions as the Administrator determines to be reasonable and practicable; (4) all premiums and other collections on the insurance and any total disability income provision attached thereto shall be credited directly to the national service life insurance appropriation and any payments on such insurance and total disability income provision attached thereto shall be made directly from such appropriation. Appropriations necessary to carry out the provisions of this section are hereby authorized.

"'(b) No insurance shall be granted under this section to any person referred to in section 107 of this title or to any person while on active duty under a call or order to active duty for a period of thirty-one days or more.'

"SEC. 2. The amendments made by this Act shall take effect as of the first day of the seventh calendar month which begins after the date of enactment of this Act.

"SEC. 3. The analysis of subchapter I of chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following:

"'725. Limited period for acquiring insurance by service-connected disabled.'"

Mr. AYRES (interrupting the reading of the motion to recommit). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD. The members of the committee I am sure are familiar with its contents.

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

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. LIBONATI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. LIBONATI) there were—ayes 124, noes, 87.

Mr. LIBONATI. Mr. Speaker, I demand tellers.

Tellers were refused.

Mr. LIBONATI. 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 Chair will count. [After counting.] Two hundred and forty-four Members are present, a quorum.

So the motion to recommit was agreed to.

Mr. TEAGUE of Texas. Mr. Speaker, pursuant to the instructions of the House on the motion to recommit, I report back the bill H.R. 12333 with an amendment, which I send to the Clerk's desk.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Strike out all after the enacting clause and insert in lieu thereof the following: "That subchapter I of chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 725. Limited period for acquiring insurance by service-connected disabled.

"'(a) Any person heretofore eligible to apply for national service life insurance after October 7, 1940, and before January 1, 1957, who is in good health except for a service-connected disability which renders him uninsurable according to the standards of good health established by the Administrator shall, upon application in writing made within one year after the effective date of this section, submission of evidence satisfactory to the Administrator that but for service-connected disabilities he is in good health at the time of such application, and payment of the required premiums, be granted insurance other than on the five-year level premium term plan under the same terms and conditions as are contained in standard policies of national service life insurance except (1) the insurance and any total disability income provision attached thereto shall be on a nonparticipating basis; (2) all settlements on policies involving annuities shall be calculated on the basis of The Annuity Table for 1949, and interest at the rate of 3 per centum per annum; (3) the insurance shall include such other changes in terms and conditions as the Administrator determines to be reasonable and practicable; (4) all premiums and other collections on the insurance and any total disability income provision attached thereto shall be credited directly to the national service life insurance appropriation and any payments on such insurance and total disability income provision attached thereto shall be made directly from such appropriation. Appropriations necessary to carry out the provisions of this section are hereby authorized.

"'(b) No insurance shall be granted under this section to any person referred to in section 107 of this title or to any person while on active duty under a call or order to active duty for a period of thirty-one days or more.'

"SEC. 2. The amendments made by this Act shall take effect as of the first day of the seventh calendar month which begins after the date of enactment of this Act.

"SEC. 3. The analysis of subchapter I of chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following:

"'725. Limited period for acquiring insurance by service-connected disabled.'"

Mr. TEAGUE of Texas (interrupting reading of amendment). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

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

There was no objection.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent for the immediate consideration of a similar bill (S. 3597) to amend title 38, United States Code, to permit, for 1 year, the granting of national service life insurance to certain veterans heretofore eligible for such insurance.

The Clerk read the title of the Senate bill.

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

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 subchapter I of chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 725. Limited period for acquiring insurance

"(a) Any person (other than a person referred to in subsection (e) of this section) heretofore eligible to apply for national service life insurance after October 7, 1940, and before January 1, 1957, shall upon application in writing made within one year after the effective date of this section, submission of evidence of good health satisfactory to the Administrator at the time of such application, and payment of the required premiums, be granted insurance under the same terms and conditions as are contained in standard policies of national service life insurance except (1) five-year level premium term insurance may not be issued or renewed on the term plan after the applicant's fiftieth birthday; (2) the net premium rates shall be based on the '1958 Commissioners Standard Ordinary Basic Mortality Table', increased at the time of issue by such an amount as the Administrator determines to be necessary for sound actuarial operations, and thereafter such premiums may be adjusted as the Administrator determines to be so necessary but at intervals of not less than two years; (3)

an additional premium to cover administrative costs to the Government as determined by the Administrator at time of issue shall be charged for insurance issued under this subsection and for any total disability income provision attached thereto, and thereafter such costs may be adjusted as the Administrator determines to be necessary but at intervals of not less than five years; (4) all cash, loan, and paid-up insurance values shall be based on the '1958 Commissioners Standard Ordinary Basic Mortality Table' and all extended term insurance values shall be based on 130 per centum of such table; (5) all settlements on policies involving annuities shall be calculated on the basis of the annuity table for 1949; (6) all calculations in connection with insurance issued under this subsection shall be based on interest at the rate of 3 per centum per annum; (7) all rights under such insurance and any total disability income provision attached thereto, whether in force or lapsed, shall terminate effective upon the date the policyholder enters on active duty or active duty for training under a call or order to such duty for a period of thirty-one days or more; (8) the insurance shall not be payable for death which occurs while the insured is on active duty or active duty for training under a call or order to such duty for a period of less than thirty-one days, if dependency and indemnity compensation is payable in such case at the time of death, however, the cash value, if any, less any indebtedness shall be paid to the designated beneficiary, if living, otherwise to the insured's estate; (9) the insurance shall include such other changes in terms and conditions as the Administrator determines to be reasonable and practicable; (10) the insurance and any total disability income provision attached thereto shall be on a nonparticipating basis and all premiums and other collections therefor shall be credited to a revolving fund established in the Treasury of the United States and the payments on such insurance and disability provision shall be made directly from such fund.

"(b)(1) There is authorized to be appropriated such sums as may be required to provide capital for the revolving fund to carry out the purpose of this section. Such appropriations shall be advanced to the revolving fund as needed and shall bear interest as determined by the Secretary of the Treasury, taking into consideration the average yield on all marketable interest-bearing obligations of the United States of comparable maturities then forming a part of the public debt and shall be repaid to the Treasury over a reasonable period of time.

"(2) The Administrator is authorized to set aside out of the revolving fund established under subsection (a) of this section such reserve amounts as may be required under accepted actuarial principles to meet all liabilities on insurance issued under subsection (a) of this section and any total disability income provision attached thereto. The Secretary of the Treasury is authorized to invest in and to sell and retire special interest-bearing obligations of the United States for the account of the revolving fund. Such obligations issued for this purpose shall have maturities fixed with due regard for the needs of the fund and shall bear interest at a rate equal to the average market yield (computed by the Secretary of the Treasury on the basis of market quotations as of the end of the calendar month next preceding the date of issue) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until after the expiration of four years from the end of such calendar month; except that where such average market yield is not a multiple of one-eighth of 1 percentum, the rate of interest of such obligations shall be the multiple of one-eighth of 1 per centum nearest such market yield.

"(3) Notwithstanding the provisions of section 782 of this title, there are hereby authorized to be made available for expenditure out of the revolving fund such sums as Congress may deem appropriate to pay the cost of administration of insurance issued under subsection (a) of this section, and any total disability income provision attached thereto, for transfer to the appropriation, 'General Operating Expenses, Veterans' Administration,' or as may otherwise be specified in appropriation Acts.

"(c) Any person who applies for insurance under subsection (a) of this section and who cannot qualify for insurance thereunder solely because of a service-connected disability for which compensation would be payable, if 10 per centum or more in degree, shall be granted insurance under the same terms and conditions as are contained in standard policies of national service life insurance except (1) five-year level premium term insurance may not be issued or renewed on the term plan after the applicant's fiftieth birthday; (2) an additional premium to cover administrative costs to the Government as determined by the Administrator at the time of issue shall be charged for insurance issued under this subsection and for any total disability income provision attached thereto (for which the insured may subsequently become eligible) and thereafter such costs may be adjusted as the Administrator determines to be necessary but at intervals of not less than five years; (3) the insurance and any total disability income provision attached thereto shall be on a nonparticipating basis; (4) all settlements on policies involving annuities shall be calculated on the basis of the annuity table for 1949, and interest at the rate of 3 per centum per annum; (5) the insurance shall include such other changes in terms and conditions as the Administrator determines to be reasonable and practicable; (6) all premiums and other collections on the insurance and any total disability income provision attached thereto shall be credited directly to the national service life insurance appropriation and any payments on such insurance and total disability income provision attached thereto shall be made directly from such appropriation. Appropriations necessary to carry out the provisions of this subsection are hereby authorized. Notwithstanding the provisions of section 782 of this title, there are hereby authorized to be made available for expenditure out of the national service life insurance appropriation such sums as Congress may deem appropriate to pay the cost of administration of insurance issued under this subsection, and any total disability income provision attached thereto, for transfer to the appropriation 'General Operating Expenses, Veterans' Administration,' or as may otherwise be specified in appropriation Acts.

"(d) Notwithstanding the provisions of section 782 of this title, a medical examination (including any supplemental examination or tests) when required of an applicant for issuance of insurance under this section or any total disability income provision attached thereto shall be at the applicant's own expense by a duly licensed physician.

"(e) No insurance shall be granted under this section to any person referred to in section 107 of this title or to any person while on active duty under a call or order to active duty for a period of thirty-one days or more.

"(f)(1) Whenever insurance issued under subsection (a) of this section and any total disability income provision attached thereto is terminated as provided in such subsection, the cash value, if any, less any indebtedness, of a permanent plan policy shall be paid to the insured. Any person whose term or permanent plan policy, not including a reduced paid-up policy, was so terminated while it was not lapsed may, upon written application and payment of the required premium made within one hundred and twenty days after separation from active duty or active duty for training, replace such policy and any total disability income provision attached thereto which was in force at the time of termination. The policy and provision issued to replace the terminated insurance shall be on the same plan and shall not be in excess of the amount of insurance which was terminated. Any person whose permanent plan policy was so terminated while such insurance was not lapsed may reinstate such insurance and any total disability income provision attached thereto which was in force at time of termination, upon written application, payment of the required premium and reserve within the one hundred and twenty day period specified above. A person whose paid-up policy was so terminated may reinstate such paid-up insurance within the one hundred and twenty day period specified above, and any total disability income provision attached thereto which was in force at time of termination, upon written application and payment of the required premium and reserve. Waiver of premiums and total disability income benefits otherwise authorized under this chapter shall not be denied in any case of reinstatement or replacement of insurance or the disability provision under this paragraph in which it is shown to the satisfaction of the Administrator that the total disability of the applicant began before the date of his application.

"(2) Any person whose rights under a term or permanent plan policy or any total disability income provision attached thereto were terminated under subsection (a) of this section, while the insurance and provision were in a lapsed status, may upon separation from active duty or active duty for training, replace such policy and provision on the same plan and not in excess of the amount of insurance terminated, upon written application made within one hundred and twenty days after separation from such duty, payment of the required premium and submission of evidence of good health satisfactory to the Administrator.

"(3) Any person whose rights under a term or permanent plan policy or total disability income provision attached thereto were terminated under subsection (a) of this section, whether the insurance and provision were in force or lapsed, may upon separation from active duty or active duty for training (A) reinstate such permanent plan policy and provision upon written application, payment of the required premium and reserve, and submission of evidence of good health satisfactory to the Administrator; or (B) reinstate such term policy and provision (within the term period) upon written application, payment of the required premiums, and submission of evidence of good health satisfactory to the Administrator.

"(4) Five-year level premium insurance may be issued under this subsection but not renewed on the term plan after the applicant's fiftieth birthday. Insurance replaced under this subsection shall be issued at the premium rate for the applicant's then attained age."

SEC. 2. Section 704 of title 38, United States Code, is amended (1) by inserting "(a)" immediately before "Insurance"; and (2) by adding at the end thereof the following:

"(b) Under such regulations as the Administrator may promulgate a policy of participating insurance may be converted to or exchanged for insurance issued under this subsection on a modified life plan. Insurance issued under this subsection shall be on the same terms and conditions as the insurance which it replaces, except (1) the premium rates for such insurance shall be based on the '1958 Commissioners Standard Ordinary Table of Mortality' and interest at the rate of 3 per centum per annum; (2) all

cash, loan, paid-up, and extended values shall be based on the '1958 Commissioners Standard Ordinary Table of Mortality' and interest at the rate of 3 per centum per annum; and (3) at the end of the day preceding the sixty-fifth birthday of the insured the face value of the modified life insurance policy or the amount of extended term insurance thereunder shall be automatically reduced by one-half thereof; without any reduction in premium.

"(c) Under such regulations as the Administrator may promulgate, a policy of nonparticipating insurance may be converted to or exchanged for insurance issued under this subsection on a modified life plan. Insurance issued under this subsection shall be on the same terms and conditions as the insurance which it replaces, except that (1) term insurance issued under section 621 of the National Service Life Insurance Act of 1940 shall be deemed for the purposes of this subsection to have been issued under section 723(b) of this title; and (2) at the end of the day preceding the sixty-fifth birthday of the insured the face value of the modified life insurance policy or the amount of extended term insurance thereunder shall be automatically reduced by one-half thereof, without any reduction in premium. Any person eligible for insurance under section 722(a), or section 725 of this title may be granted a modified life insurance policy under this subsection which, subject to exception (2) above, shall be issued on the same terms and conditions specified in section 722(a) or section 725, whichever is applicable.

"(d) Any insured whose modified life insurance policy is in force by payment or waiver of premiums on the day before his sixty-fifth birthday may upon written application and payment of premiums made before such birthday be granted national service life insurance, on an ordinary life plan, without physical examination, in an amount of not less than $500, in multiples of $250, but not in excess of one-half of the face amount of the modified life insurance policy in force on the day before his sixty-fifth birthday. Insurance issued under this subsection shall be effective on the sixty-fifth birthday of the insured. The premium rate, cash, loan, paid-up, and extended values on the ordinary life insurance issued under this subsection shall be based on the same mortality tables and interest rates as the insurance issued under the modified life policy. Settlements on policies involving annuities on insurance issued under this subsection shall be based on the same mortality or annuity tables and interest rates as such settlements on the modified life policy. If the insured is totally disabled on the day before his sixty-fifth birthday and premiums on his modified life insurance policy are being waived under section 712 of this title or he is entitled on that date to waiver under such section he shall be automatically granted the maximum amount of insurance authorized under this subsection and premiums on such insurance shall be waived during the continuous total disability of the insured."

SEC. 3. The amendments made by this Act shall take effect as of the first day of the first calendar month which begins more than one year after the date of enactment of this Act.

SEC. 4. The analysis of subchapter I of chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following:

"725. Limited period for acquiring insurance."

Mr. TEAGUE of Texas. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TEAGUE of Texas: Strike out all after the enacting clause of S. 3597 and insert the provisions of H.R. 12333 as passed, as follows: "That subchapter I of chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"'§ 725. Limited period for acquiring insurance by service-connected disabled.

"'(a) Any person heretofore eligible to apply for national service life insurance after October 7, 1940, and before January 1, 1957, who is in good health except for a service-connected disability which renders him uninsurable according to the standards of good health established by the Administration shall, upon application in writing made within one year after the effective date of this section, submission of evidence satisfactory to the Administrator that but for service-connected disabilities he is in good health at the time of such application, and payment of the required premiums, be granted insurance other than on the five-year level premium term plan under the same terms and conditions as are contained in standard policies of national service life insurance except (1) the insurance and any total disability income provision attached thereto shall be on a nonparticipating basis; (2) all settlements on policies involving annuities shall be calculated on the basis of The Annuity Table for 1949, and interest at the rate of 3 per centum per annum; (3) the insurance shall include such other changes in terms and conditions as the Administrator determines to be reasonable and practicable; (4) all premiums and other collections on the insurance and any total disability income provision attached thereto shall be credited directly to the national service life insurance appropriation and any payments on such insurance and total disability income provision attached thereto shall be made directly from such appropriation. Appropriations necessary to carry out the provisions of this section are hereby authorized.

"'(b) No insurance shall be granted under this section to any person referred to in section 107 of this title or to any person while on active duty under a call or order to active duty for a period of thirty-one days or more.'

"SEC. 2. The amendments made by this Act shall take effect as of the first day of the seventh calendar month which begins after the date of enactment of this Act.

"SEC. 3. The analysis of subchapter 1 of chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following:

"'725. Limited period for acquiring insurance by service-connected disabled.'"

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.

A similar House bill (H.R. 12333) was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that all Members have 3 legislative days to extend their remarks in the RECORD on the bill just passed.

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

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that I be permitted to extend my own remarks and to include tabular material.

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

There was no objection.

ELECTION TO COMMITTEE

Mr. HALLECK. Mr. Speaker, I offer a privileged resolution (H. Res. 766) and ask for its immediate consideration.

The Clerk read as follows:

H. RES. 766

Resolved, That CARLETON J. KING, of New York, be and he is hereby, elected a member of the standing Committee of the House of Representatives on the Judiciary.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FIVE-YEAR TAX WRITEOFFS IN DEPRESSED AREAS

Mr. VAN ZANDT. 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. VAN ZANDT. Mr. Speaker, my State of Pennsylvania has, I believe, the unfortunate distinction of having more areas of substantial and persistent unemployment than any other in the Nation.

As of June of this year the major areas of substantial unemployment in Pennsylvania included Altoona, in my own district, Erie, Johnstown, Philadelphia, Pittsburgh, Scranton, and Wilkes-Barre-Hazleton. Except for Philadelphia, all these areas were also areas of persistent unemployment, meeting the criteria for assistance with Federal procurement programs and under the Area Redevelopment Act. They would likewise be eligible for assistance under the Public Works Coordination and Acceleration Act, now before us.

In addition to these major areas, Pennsylvania has no less than 24 smaller areas of substantial and persistent unemployment, including the Clearfield-Du Bois area, the greater part of which is in my own district.

"Substantial," Mr. Speaker, means that in each area unemployment is well above the average for the Nation. In Altoona the rate in June was 9.4 percent with 5,000 unemployed. This is up from the 4,200, 8.1 percent, reported in May. Clearfield-Du Bois has an even higher rate, around 12 percent, with about 4,000 unemployed. That is what "substantial" means. "Persistent" means it has been like this for a long, long time in the past, and, unless some action is taken, bodes to remain that way for a long, long time in the future.

Last year, Mr. Speaker, we passed the Area Redevelopment Act designed to have the Federal Government help us to help ourselves. In the closing hours of the House debate on the Area Redevelopment Act which I actively supported, I warned that it was not intended as an immediate remedy of unemployment but that it was a long-range program that

would take time before its effects were felt on our economy.

The truth of my statement is revealed by the fact that during the 1962 fiscal year ending June 30, 1962, the Area Redevelopment Administration produced 17,436 direct jobs at a total cost of over $170 million, or approximately $9,800 per job. This year we sought additional Federal help by passing the Manpower Utilization and Training Act. Undoubtedly these Federal programs will help. But something further is needed.

For that reason, I wish to provide for a new sort of help from the Federal Government by letting business spend its own money and be allowed to write it off for tax purposes in only 5 years.

Therefore, I am urging the enactment of my bill, H.R. 274, which I introduced January 3, 1961, or at the beginning of the 87th Congress. For nearly 19 months this bill has been pending before the House Committee on Ways and Means. This bill would help American business to provide jobs by providing businessmen an incentive to step up investment in plants and machinery in areas of persistent labor surplus. My bill would allow businesses to write off their investment in such areas for tax purposes within a period of 5 years, if they so desired.

Despite my warning that the Area Redevelopment Act represents a long-range program, unfortunately many expected to witness an economic miracle once it became effective. In fact, the real barrier to consideration of my bill, H.R. 274, is revealed in a letter I received dated April 20, 1961, from Secretary of the Treasury Douglas Dillon which reads in part:

> A bill which you have introduced, H.R. 274, would provide tax incentives to encourage the development and growth of commercial and industrial enterprise in economically depressed areas. It is the President's view that this problem can be met more effectively by other direct measures outside the tax field, such as the area redevelopment bill.

According to Secretary of the Treasury Douglas Dillon, President Kennedy believed, too, the unemployment problem could be met more effectively by other direct measures, such as the area redevelopment bill.

In view of the long-range objectives of the Area Redevelopment Act and the cost figures on the number of jobs during the fiscal year of 1962, I believe that my proposal for a fast tax writeoff in distressed areas is one of great merit.

This accelerated tax amortization program embodied in my bill, H.R. 274, introduced 19 months ago, is not a new or untried proposal. It was originally used in World War I to encourage investment in defense facilities. It was revived and used in World War II, for the same purpose. It may be found in section 124a of the Internal Revenue Code of 1939. During World War II certificates of necessity for over $7 billion of investment in productive facilities were issued under this program, of which nearly $6 billion were reported eligible for accelerated amortization.

A program for accelerated tax amortization was renewed after the outbreak of the Korean war in 1950. From the beginning of the program on November 1, 1950, through its termination on December 31, 1959, the estimated cost of defense facilities for which certificates of necessity were granted was over $39 billion. Over $23 billion of this amount was certified as eligible for the accelerated—5-year—depreciation. This shows clearly that rapid tax amortization does induce investment.

From November of 1953 a larger percentage of rapid tax amortization was allowed when the facilities were built in areas of chronic labor surplus. This program to aid such areas was adopted after the tax amortization program had passed its peak, which limited the opportunity it presented for such aid. Nonetheless, it had a definitely beneficial effect. The Office of Defense Mobilization estimated that a total investment of $277 million in defense facilities had provided 15,600 direct jobs in labor surplus areas down to March 1, 1957.

Talk of allowing accelerated depreciation on investments is frequently heard today. In July the revision of Internal Revenue's Bulletin F was released, making public new depreciation schedules and procedures. These guidelines will assist many firms to take a more rapid and realistic depreciation of their machinery and equipment. This much has been accomplished by administrative action alone. Now, indeed, it has been noted by some tax experts that revised Bulletin F does little more than to make public the rules on depreciation which Internal Revenue had already approved in many specific instances.

We hear, too, on all sides talk about a general further revision of depreciation allowances by Congress, as a means of encouraging greater investment and to provide more job opportunities. I am reluctant to see Congress adjourn without enacting my bill, H.R. 274, so that business and industry in distressed areas would through a fast tax writeoff have an incentive to increase investment in plant and machinery and, thereby, help provide jobs for American wage earners.

My bill would allow us to try out such an accelerated investment plan in labor surplus areas. It could be used in any area where the bill before us or the Area Redevelopment Act would apply. Any investment in new plants or any expansion of existing facilities, which would provide jobs in labor surplus areas, could be written off for tax purposes in 5 years. This would help such areas to put their people back to work on new jobs. It could not be used to pirate plants or jobs from other areas.

We may thus test out in such areas how well such an accelerated tax plan works to encourage investment. The knowledge we gain of its effect in providing jobs and investments and its effect on tax revenues will prove valuable should we next year wish to consider a general program of accelerated depreciation allowances.

But in the depressed areas and, unfortunately nearly all of the Members have such areas in their own States, we need to do all we can right now to provide work. My bill would do this. It would provide temporary tax cuts for investors who expand or locate plants in such areas. Past experience shows that it has this effect.

I urge, Mr. Speaker, its adoption.

MEDICO

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

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

There was no objection.

Mr. DERWINSKI. Mr. Speaker, there is so much talk concerning projects such as people-to-people and others that are designed to show America's compassion for the poor and underprivileged throughout the world. Too often these are directed by the complex mechanism of government, without the warmth and understanding of more personal contact. There are exceptions, however. One of the truly effective programs is Medico, a nongovernmental, nonsectarian, nonprofit service of CARE, Inc., which provides medical and surgical care by American physicians in the underprivileged areas of the world where there is a serious deficit of and an urgent need for medical care and health protection. Founded in 1958, Medico is supported entirely by volunteer contributions from individuals, corporations, and philanthropic institutions in the form of financial aid or medical products, equipment, and drugs. It is staffed by generous American doctors, nurses, and technicians who volunteer their services.

I am proud to call to the attention of my colleagues and all Americans the contribution made to Medico by one of my constituents, Dr. Kenneth Stegman, of Dolton, Ill. Dr. Stegman, who is an orthopedic surgeon, spent 7 weeks in Saigon, South Vietnam, where he taught Vietnamese doctors and nurses the newest techniques in treating bone and joint diseases and injuries. He took his life's savings to help finance the trip. Since his return, Dr. Stegman has served as an inspiration to others. His concern and interest in all mankind is indicative of the American medical profession. His service is a classic example of why our doctors will always have the respect and admiration of the American people, and in fact, of all peoples throughout the world.

I think we can best appreciate the tremendous personal sacrifice made by Dr. Stegman and many of his colleagues in their contribution to medical science when we take into account the struggle that a doctor must make to acquire the education and training necessary to serve humanity in their chosen vocation.

Dr. Stegman was born in Chicago on July 16, 1925. He received his grammar and high school education in Chicago parochial schools. In 1945 he received his bachelor of science degree from Duke University, and his doctor of medicine degree from St. Louis University in 1949. His internship and residency in general surgery were served at Little Company of Mary Hospital in Evergreen Park, from July 1949 to June 1951. He served in the U.S. Air Force Medical

Corps at Chanute Field from 1951 to 1953, with the rank of captain. From 1953 through 1956 Dr. Stegman served his orthopedic residency at Marquette University, Milwaukee, Wis. Since 1956 he has been practicing orthopedics in the south suburban Cook County area, where he is also on the staffs of St. Francis Hospital in Blue Island, Ingalls Memorial Hospital in Harvey, and St. Margarets Hospital in Hammond, Ind.

It is not my purpose to eulogize Dr. Stegman an individual image, but to point out that he is typical of the men and women in medicine, who by their actions have fortified our respect, admiration, and pride in the typical American doctor, who has worked to develop for us the finest medical care any nation has ever had while at the same time maintaining the role of leadership not only in international medicine, but also in international good will.

As long as the American medical profession is served by doctors such as my constituent, Dr. Stegman, the vocation of medicine will rise to even greater heights in the service to all mankind.

MODERNIZATION OF OUR MINING LAWS

Mr. SAYLOR. 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 Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Speaker, as Members of this body are aware, some of the most complex domestic problems to demand the attention of the Congress in recent years have been those involving mining. Many of these complications should surprise no one, for as our country matures, our population increases and the demands upon all our resources grow, it is only natural that the ultilization of these resources often brings into sharp conflict one base with another.

In the early days, when most of the basic mining laws were enacted, there was not a concern for many of the other resources values. This was indeed the days of free enterprise and rugged individualists, where a person's work, which was often the most arduous, was rewarded by his success in prospecting and otherwise development of his mining claim. Toward the close of the 19th century and in the early 20th century, the United States was making its most rapid strides to the great industrial nation that it is today. The demand for minerals was an integral and basic part of this industrial growth and expansion. It was natural that during this particular time, customs and laws were developed primarily to encourage and protect those engaged in mining operations. There was an abundance of other resources and minimum demand for them. Today, the demand for resource use is growing in many directions. No longer can we automatically assume that the exploitation for minerals in all cases and under all conditions will outrank all other possible resource uses.

There has been the further problem of distorting mining laws for purposes other than the original laws intended. The problem of using mining claims to usurp the greater rewards of surface rights. The problem of extending nonpatented mining claims to cover summer homes, cottages, recreation, and for other purposes. The complexion of the country and the demand of its populace has changed so fast, that it has become impossible in many instances for mining laws to properly adapt to them. The Congress wisely, on many occasions, has sought to right an injustice here, and establish a procedury for rectifying an impropriety there, but it is my concern Mr. Speaker, that our mining laws governing our mining operations begin to develop a kind of legal patchwork which is difficult to administer and almost impossible for the average layman to know his or her rights or responsibilities.

It is with this purpose in mind that I have introduced H.R. 12913 which seeks to modernize the mining laws of the United States. I am not so sanguine to feel that this will be received by all resource users, all branches of the mining industry as the final and last word in the remodification of mining laws and regulations in the United States. It is my great hope, however, that this bill will serve as a necessary vehicle for the Congress to seriously reconsider the posture of mining in the United States, relative to other uses. The appropriate relationship of mining to other uses of our resources cannot be resolved completely by the revision of mining laws only, but clarification and up dating of these laws can contribute greatly to a lessening of our present confusion.

The problems that have been attended to mining over the past few years are many and varied. The conflict between mining and the pollution of our streams and rivers has persisted. The conflict between land use and timber with that of mining continues. The conflict between all types of recreation which is carried on not only in the national park system, national forests, other public lands, and many local and regional areas devoted to a variety of recreational uses has plagued us in many areas. The conflict with water storage projects and the reservoirs and activities surrounding them is still another. All of these past conflicts insist that a new evaluation, certainly not one that would be incongruous with the continuation of mining activities, but one that more carefully recognizes these new relationships and responsibilities that should impinge upon all users of our natural resources.

The last administration, and this administration, has recognized the burgeoning recreational needs of the American public. At the time many of the basic mining laws were affected, the number of people, their mobility, their financial position, their amount of leisure time were not such that such a conflict could normally have been projected. One cannot therefore judge harshly our forefathers for not being forward looking in this respect, but we can be so judged if we do not seriously reevaluate and reconsider the posture of our present mining laws, in light of the more complex needs of our present-day society.

Mr. Speaker, may I say that in no way is this a bill designed to work unnecessary hardship upon the mining industry of the United States. It is rather a measure that seeks to consider the overall public interest of all our people and the many needs that must be served. Nor should I want to mislead this body that this measure is simple and intuitively obvious. Mining laws it seeks to modify are complicated, have been amended on several occasions, and involve many technical details. I can assure the Members of this body, however, that every effort has been made to simplify this modification or modernization of the mining laws of the United States of America to the extent that it was possible to do so.

Since some phase of mining operations occurs in practically all of the States of the Union, there is no effort on my part to rush this measure through without serious and proper consideration. It is assumed that practically every Member of this body will want to carefully consider the suggested modifications and the implications that are involved. This I welcome. It is hoped that an extended and serious consideration can be given to a matter long overdue.

HUNTER-LIGGETT MILITARY RESERVATION, CALIF.

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 761 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12081) to authorize the Secretary of the Army to convey certain land and easement interests at Hunter-Liggett Military Reservation for construction of the San Antonio Dam and Reservoir project in exchange for other property. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Kansas [Mr. AVERY], and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 761 makes in order consideration of the bill H.R. 12081. It is an open rule, and provides for 1 hour of general debate.

The purpose of the bill is to authorize the Secretary of the Army to convey certain land and easement interests at Hunter-Liggett Military Reservation for construction of the San Antonio Dam and Reservoir project in exchange for other property.

Under the provisions of the bill, the Secretary of the Army would be authorized, upon such terms and conditions as he deems in the public interest, to convey to the Monterey County Flood Control and Water Conservation District fee title to approximately 8,775 acres of land, and flowage easements over approximately 1,135 acres of land and a highway bridge easement over approximately 65 acres of land, all of which are areas now in the Hunter-Liggett Military Reservation. These add up to about 10,000 acres, which will be conveyed to the conservation district.

Mr. Speaker, the bill and the report seem to indicate that this conveyance will be in the best interests of the local people involved. The compensation being allowed will take proper care of the military reservation and our military needs in this area. Therefore, I believe the legislation to be good and proper legislation, and I urge the adoption of House Resolution 761.

Mr. AVERY. Mr. Speaker, I think the resolution has been adequately explained by the gentleman from California. I have no requests for time. I know of no opposition to the rule or the bill.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MAKING GAS AVAILABLE TO BARROW, ALASKA

Mr. ELLIOTT. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 759 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2020) to amend part IV of subtitle C of title 10, United States Code, to authorize the Secretary of the Navy to develop the South Barrow gasfield, Naval Petroleum Reserve Numbered 4, for the purpose of making gas available for sale to the native village of Barrow and to other non-Federal communities and installations, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ELLIOTT. Mr. Speaker, I yield 30 minutes to the gentleman from Kansas [Mr. AVERY], and pending that, I yield myself such time as I may consume.

Mr. Speaker, this resolution makes in order the consideration of the bill (S. 2020) to amend part IV of subtitle C of title 10, United States Code, to authorize the Secretary of the Navy to develop the South Barrow gasfield, naval petroleum reserve No. 4, for the purpose of making gas available for sale to the native village of Barrow and to other non-Federal communities and installations, and for other purposes. The rule provides for 1 hour of general debate.

Mr. Speaker, I urge the adoption of the resolution.

Mr. AVERY. Mr. Speaker, I do not think we need to debate the merits of this resolution. I only want to make one observation. Even though this particular source of natural gas is to be developed by the Federal Government, the Committee on Rules was assured the distribution of it is to a non-Federal responsibility. It is to be by a non-Federal distributing corporation. The record is to be made abundantly clear that we are not establishing a precedent for engaging the Department of Defense in developing this natural resource or any other similar source of energy.

Mr. Speaker, I have no further requests for time and I urge the adoption of the resolution.

Mr. ELLIOTT. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING SECRETARY OF THE NAVY TO TAKE POSSESSION OF NAVAL OIL SHALE RESERVES

Mr. ELLIOTT. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 760) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5423) to amend title 10, United States Code, to authorize the Secretary of the Navy to take possession of the naval oil shale reserves, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Armed Services now in the bill and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. ELLIOTT. Mr. Speaker, I yield 30 minutes to the gentleman from Kansas [Mr. AVERY]; pending which I yield myself such time as I may consume.

Mr. Speaker, the resolution before us makes in order the consideration of the bill—H.R. 5423—to amend title 10, United States Code, to authorize the Secretary of the Navy to take possession of the naval oil shale reserves, and for other purposes.

The resolution provides for 2 hours of debate. All points of order against the bill are waived.

Mr. Speaker, I urge the adoption of the resolution.

Mr. AVERY. Mr. Speaker, I yield myself such time as I may consume, and I would like to be advised when I have consumed 3 minutes.

Mr. Speaker, the hour is late and I apologize to the Members of the House for imposing on their time at this hour of the day. I think it is important, however, that some legislative history be established in the consideration of this rule with reference to this particular bill. I might remind the Members that research on this particular shale deposit was in a very active state from 1944 to 1956. So the question immediately presents itself, if we had an experimental project in operation for 12 years, just exactly what is the further need for research in this particular field? You might ask, Why would you be apprehensive about this, other than the cost of such? What objection might there be to extending and reactivating the research at this particular shale deposit at Rifle, Colo.?

My only objection is this: Back in 1934 we were told that we were going to authorize a few million dollars for the Tennessee Valley project, and it was to be merely a yardstick to measure the actual cost of producing electrical energy; it was not to enter into the commercial production of electricity; it was to provide a yardstick whereby the actual cost of production of electrical energy could be measured against the rates that were being charged across the country by private enterprise. You know, of course, what has happened from that time to this. We have developed a monstrosity, in my opinion, in the Tennessee Valley that is engaged in the production of subsidized electricity on a commercial basis. It has cost the taxpayers of the United States many hundreds of millions of dollars a year. Here we are 30 years later, and just an hour ago we appropriated, in the public works appropriation bill, $35 million more for the Tennessee Valley Authority.

All I want to do this afternoon is to make the record abundantly clear that the reactivation of research in the shale deposits at Rifle, Colo., by the Department of the Interior, or the lessee of their designation, will be entirely restricted for whatever need might exist in the way of developing further information through a research program and is not—and I repeat—it is not in any way to be taken as consent by Congress for the commencement of commercial production of oil and other petroleum products.

May I ask the chairman of the Armed Services Subcommittee, the gentleman

from Illinois [Mr. PRICE], if I have properly interpreted the purpose of this legislation?

Mr. PRICE. The answer to the gentleman from Kansas is that he has correctly stated the purpose of the legislation. It is in the interest of the development and research of potential oil resources for the Navy and the military forces in the event of national emergency and exclusively for that purpose.

The SPEAKER. The gentleman from Kansas has consumed 3 minutes.

Mr. AVERY. Mr. Speaker, I yield myself 2 additional minutes.

Mr. Speaker, I thank the gentleman from Illinois for his comment, and I want his comment to be contained in the adoption of the rule proceedings here so that in retrospect there may be no doubt as to why the experimentation is being authorized in this legislation.

Mr. PRICE. That is correct. The Navy requested this legislation specifically for this purpose.

Mr. AVERY. By way of explanation I might add this. Perhaps some Members may ask, "Do we not need all the petroleum products we can get? And are we not importing a vast volume of crude oil and residual oil from foreign sources of supply?" The answer is, "Yes, of course we are." But the same as in many other industries, because of the importation of vast quantities of petroleum products and residual oil, and particularly crude oil, the independent producers of Texas, Kansas, Oklahoma, and many other States, have seen their production rolled back to where they are now producing only 25 to 50 percent of their potential. This, of course, preserves our natural resources, but at the same time I ask the Members of the House to place themselves in the position of having a potential return from your investment of $50,000 a year and suddenly you are then rolled back to $12,500. You would not like that; it would adversely affect the economy of your State, and it would hold you to one-quarter of your return on your investment that you had anticipated when the investment was originally made.

So I hope that this RECORD will be read by the Department of the Navy as they proceed to reactivate this experimental project in Colorado.

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

Mr. AVERY. I am glad to yield to the gentleman from Oklahoma who has done more research on this matter, probably, than any other Member of the House.

Mr. STEED. I think the gentleman has just made a very important point. I agree with everything he has said and associate myself with him in his presentation of this point to the House. I hope there will be no mistaking what he has said here today.

Mr. AVERY. I thank the gentleman from Oklahoma.

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

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

Mr. GROSS. Will the gentleman refresh my memory? Did we not have a bill before the House not long ago that denied funds for the operation of this plant at Rifle, Colo.? Or was that the story? Is this bill designed to activate that plant?

Mr. AVERY. I would have to respond to the gentleman by saying that I am not personally familiar with the legislation to which he is referring. I defer to the chairman of the subcommittee, the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. We have not had a bill up here in recent years on that. I believe the gentleman refers to the time when the Department of the Interior decided to close this plant and end the experimentation there. That was about 1958.

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

Mr. AVERY. I yield to the gentleman form Colorado.

Mr. ASPINALL. The gentleman refers to requests for funds to reactivate this plant during fiscal year 1963. The gentleman from Colorado [Mr. DOMINICK] proposed an amendment when the Interior Department appropriation bill was before us. The gentleman from Colorado now speaking opposed that amendment because there is no possibility of this plant being reactivated or any work being done at the facility until the jurisdiction question has been settled. This bill is for the purpose of determining the matter of jurisdiction. It has nothing to do with appropriations or the production of the product—kerogen—from oil shale.

Mr. AVERY. In response to the gentleman from Colorado, I concur that what he said is entirely true, that this bill does not envision any commercial development. I would repeat what I said when TVA was authorized, little did we think then that that authority was going to be engaged in the commercial production of electricity.

I may say further, Mr. Speaker, that on present-day prices it would require a subsidy of $1.50 a barrel to feasibly produce crude oil from this shale deposit at Rifle, Colo. I would remind you, however, that would not necessarily prohibit commercial production because we subsidize other production that is just as nonessential as this is at the present time. I do not want to deter or restrict further research, but I repeat, I hope our colloquy here this afternoon will not be in any way construed as a green light on commercial production of crude oil.

Mr. Speaker, I now yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. ELLIOTT. The gentleman from Kansas and I are in agreement that the rule should be granted. We are not in agreement about the TVA. I think the TVA is one of our finest Government institutions. It administers a good program, and does it efficiently and in the Government interest. The TVA has meant much to Alabama, and will mean much to it in the future.

Mr. Speaker, I move the previous question.

Mr. JENSEN. Mr. Speaker, it is not clear to me what this bill provides. Will the chairman of the committee tell me what this bill provides? I have had quite a little to do with this project in past years, and I have some misgivings about it.

Mr. PRICE. The purpose of the bill is one of jurisdiction as between the Department of the Navy and the Department of the Interior. The bill spells out the conditions under which the Navy shall exercise control over the oil shale reserves and places the oil shale reserves in the same category under the Navy as it does the petroleum reserves. Secondly, it bestows jurisdiction of the Rifle plant, which has been mentioned here, to the Department of the Interior.

The second thing it does is to bestow jurisdiction of the Rifle plant to the Department of the Interior, where it was previously. Because of the fact it has been closed down since 1958, this jurisdictional problem arose, due to the fact it involves the oil reserve shale. This bill resolves the jurisdictional matter. It also gives the Department of the Interior authority to operate on a research basis or lease it out or make a contract for its operation with a university or private company.

Mr. JENSEN. Do I understand this bill would give the Interior Department the authority to again open up the Rifle shale plant and operate it as they did before 1958?

Mr. PRICE. Unless it has further approval of Congress and we can receive funds for it from the Committee on Appropriations. I think the gentleman from Iowa [Mr. JENSEN] is on this committee. It merely settles the question of the jurisdiction of the plant.

Mr. JENSEN. If it only settles the question of jurisdiction——

Mr. PRICE. That is right. They still have to come to Congress to get any money with which to operate the plant.

Mr. JENSEN. Of course, the plant is a nonentity, so to speak.

Mr. PRICE. If the gentleman will yield further, the plant is still in a standby status. It is costing the Department of the Interior $120,000 to maintain it.

Mr. JENSEN. I know that. But that Rifle plant—there is no reason for opening it to operations. They have finished their job for which they were set up to perform and the plant at Laramie is doing a better and a more up-to-date job with more modern equipment than the Rifle plant. Therefore, I see no point in involving the Rifle plant in this bill.

Mr. PRICE. If the gentleman will yield further, I would like to say to the gentleman that is strictly a jurisdictional question.

Mr. AVERY. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. DOMINICK].

Mr. DOMINICK. Mr. Speaker and Members of the House, I am going to be as brief on this as possible. But I have spoken on this Rifle oil situation before. I want to make sure that some of the points which I think are important in this bill are put over again.

First of all, since 1958, because of the legal interpretation by the Attorney General, the Rifle plant has been completely shut down, and the status of the oil shale reserves—the naval oil shale reserves—has been such that they have not even been able to stick a pickax into

them in order to get any material out for experimental work.

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

Mr. DOMINICK. Yes, I yield to the gentleman from Colorado.

Mr. ASPINALL. But is it not true that this installation—the laboratory at the University of Wyoming at Laramie—will be badly in need of shale for continuation of even its operation one of these days, and there will be no shale for it to use?

Mr. DOMINICK. That is 100 percent correct, and I thank the gentleman from Colorado.

Mr. Speaker, certainly I think we should note that we have been keeping the Rifle plant in a mothball, standby condition since 1958, at a cost of between $101,000 and $112,000 a year. So we have just had something which is a building and which is obviously deteriorating, with which we are not doing a thing, because no research of any kind has been permitted. This has been created, as I say, largely by the Attorney General's opinion in 1958.

Mr. Speaker, this particular bill will clarify the jurisdictional problems and will give legislative authority so that the Navy has control over its naval oil shale reserves in that area, and they can make some of this oil shale available for research purposes only. It will give to the Department of the Interior a control of the operation and the use of the Rifle plant.

Mr. Speaker, the testimony indicated in the hearings before the committee that within the next couple of years, at least, it will be necessary for a considerable amount of rehabilitation to be done to the plant. Therefore, if this plant is going to be used at this point at all, which I personally think it should be, they will probably be doing it by lease or contract to other universities, to nonprofit institutions or to commercial industries which have been trying to get something out of these facilities in order to develop their own ideas on how oil shale may be best used as far as the economy is concerned.

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

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

Mr. JENSEN. Mr. Speaker, I am sure the gentleman knows that in 1958 other Members and I visited the Rifle shale plant and went into the tunnel, the mouth of which is halfway up the mountain. There we discovered they had had several roof falls in that tunnel which had an unsupported roof of between 60 and 70 feet. They had attempted to hold up the roof under that mountain with bolts in the ceiling, but there were thousands of cracks in that shale for yards. The last roof fall had occurred on a Sunday when workmen were not there. It had fallen on the steam shovel and had crushed that great big steam shovel almost flat. So we decided that the thing to do was to shut down that plant until such time as the tunnel could be made safe for human beings.

I would not object to taking shale out of that tunnel if sufficient roof supports were placed in it. But certainly, having seen what I did I would not be able to sleep nights if I knew that people were going into that tunnel.

Mr. DOMINICK. I can say to the gentleman from Iowa that I know the dangers created by abandoned tunnels of this kind and I suspect that this tunnel is no better now than it was then.

Mr. JENSEN. The chances are that it is worse.

Mr. DOMINICK. Before any work will be done there the Navy will have responsibility for insuring that the people can take such shale out of there safely as may be needed for these experimental purposes.

There are a few other points that I think ought to be brought out. These shale reserves may be as important to this country, if we get into a situation of oil shortage, as any other single natural resource we have in the country. We are not in a position at the present minute to determine how economically oil, or petroleum, can be produced from oil shale in competition with regular oil reserves at the present minute, but moves in this direction have taken place and they have completed a large portion of their research on their small retorts and medium sized retorts and were just about ready to go into the larger sized retorts on research only, at such time as the Attorney General's ruling came about.

With all the people who have contacted me and all the people who have contacted other representatives from Colorado pointing out that we have a facility for research here which is simply not being used, it seems to me that this makes good legislative sense, to go ahead and get this jurisdictional problem settled so that further research in this may be carried out.

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

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

HUNTER-LIGGETT MILITARY RESERVATION, CALIF.

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the bill (H.R. 12081) to authorize the Secretary of the Army to convey certain land and easement interests at Hunter-Liggett Military Reservation for construction of the San Antonio Dam and Reservoir project in exchange for other property, be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to facilitate the construction of the San Antonio Dam and Reservoir project for flood control, water conservation, and public recreation the Secretary of the Army is authorized, upon such terms and conditions as he may deem to be in the public interest, to quitclaim to the Monterey County Flood Control and Water Conservation District of the State of California, a tract of fee-owned land in the eastern part of Hunter-Liggett Military Reservation adjacent to the San Antonio River, containing approximately eight thousand seven hundred and seventy-five acres, more or less, and to grant to the said district a flowage easement over approximately one thousand one hundred and thirty-five acres of land, more or less, and a road and highway bridge easement over sixty-five acres, more or less, of land in the vicinity. All mineral rights in the fee-owned land, and a right-of-way for road purposes in a location approved by the Secretary of the Army shall be reserved to the United States.

(b) The conveyance authorized by this Act shall be in exchange for (1) the conveyance to the United States of an exclusive right-of-way for road purposes between Hunter-Liggett Military Reservation and Camp Roberts, California, as approved by the Secretary of the Army, the construction of a tank road and appurtenances in accordance with plans and specifications to be approved by the Secretary of the Army; and the relocation of existing Army facilities located in the areas to be conveyed under paragraph (a) hereof, by the Monterey County Flood Control and Water Conservation District; and (2) a sum of money representing, in the opinion of the Secretary of the Army, the amount by which the appraised market value of the property conveyed by the Secretary of the Army exceeds the appraised market value of the property accepted in exchange therefor. Any money received by the Secretary of the Army in connection with this exchange shall be covered into the Treasury as miscellaneous receipts.

Mr. PRICE. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the bill H.R. 12081 would authorize the Secretary of the Army to convey certain land and easement interests at Hunter-Liggett Military Reservation, Calif., for construction of the San Antonio Dam and Reservoir project in exchange for other property.

The Monterey County Flood Control and Water Conservation District of the State of California, a public body elected by the voters of the county, has developed plans for the construction of a dam and reservoir in the vicinity of Hunter-Liggett Military Reservation and Camp Roberts.

The proposed project will be entirely financed by State funds and a supporting bond issue to be approved by the voters of the district.

Both public and private lands comprise the area required by the district for the flood control and water conservation project. Included in this area are approximately 9,965 acres of land and easement interests in the Hunter-Liggett Military Reservation.

The Monterey County Flood Control and Water Conservation District proposes in exchange for this property to, first, convey an exclusive right-of-way for road purposes to Hunter-Liggett and Camp Roberts; second, construct a tank road and appurtenances in accordance with plans and specifications approved by the Secretary of the Army; and, third, relocate existing Army facilities now in the area—consisting principally of a communication line.

The fair market value of the land required by the district is estimated to be $563,000. The estimated value of the privately owned land which the district

will acquire for the tank road and right-of-way is $16,250. This road will extend approximately 8 miles and comprises about 125 acres of land. The cost of constructing that portion of the tank road which is not on the Hunter-Liggett Military Reservation is estimated at $580,000, making a total cost of the off-base portion of the tank road, $596,250.

Thus, the new facilities provided by the district will exceed in value the appraised value of the property to be conveyed by the Army. It must also be borne in mind that the district will incur other costs for replacement in kind of facilities now located on Hunter-Liggett Military Reservation.

These costs have not been determined but will be borne by the district and include moving, constructing, and improving the portion of the tank road which will be located on existing Army property, and also relocating an existing Army communication line.

The official report of the Department of the Army supported the bill provided that language was added to relieve the Army of the responsibility of transferring to the U.S. Treasury that portion of moneys received from the district which were expended to defray preliminary engineering studies and plans. Subsequently, the Monterey district officials assured the Department of the Army that these preliminary expenses would be borne entirely by the district. Consequently, Army representatives withdrew their request that the bill be amended.

The Committee on Armed Services reported the bill unanimously, without amendment, and I therefore urge the unanimous approval of this body.

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.

MAKING GAS AVAILABLE TO BARROW, ALASKA

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the bill (S. 2020) to amend part IV of subtitle C of title 10, United States Code, to authorize the Secretary of the Navy to develop the South Barrow gasfield, naval petroleum reserve No. 4, for the purpose of making gas available for sale to the native village of Barrow and to other non-Federal communities and installations, and for other purposes, be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7422 of title 10, United States Code, is amended by adding the following new subsection at the end thereof:

"(c) The Secretary of the Navy may under subsection (a) develop the South Barrow gasfield, naval petroleum reserve numbered 4, to supply gas to installations of the Department of Defense and other agencies of the United States located at or near Point Barrow, Alaska, the native village of Barrow, and other communities and installations at or near Point Barrow, Alaska."

SEC. 2. Section 7430(a) of title 10, United States Code, is amended to read as follows:

"(a) The Secretary of the Navy in administering the naval petroleum reserves under this chapter shall use, store, sell, or exchange for other petroleum or refined products, the oil and gas products, including royalty products, from lands in the naval petroleum reserves, including gas products from lands in the South Barrow gasfield of naval petroleum reserve numbered 4, and lands outside petroleum reserve numbered 1 covered by joint, unit, or other cooperative plans, for the benefit of the United States."

SEC. 3. The Federal agency or agencies in control of any pipeline between gas wells in the South Barrow gasfield and the town of Barrow may authorize purchasers of the gas or carriers of the gas to install connections to such pipeline.

Mr. PRICE. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, S. 2020 is a bill relating to the sale of gas at Point Barrow, Alaska. This bill has two purposes: First, to authorize the Secretary of the Navy to furnish gas from the South Barrow gasfield, Alaska—Naval Petroleum Reserve No. 4—to all the Federal agencies in the Point Barrow area; and, second, to permit the Secretary of the Navy to sell gas from the gasfield to the native village of Barrow and other communities and installations in the Point Barrow, Alaska area.

Since 1950, the Navy itself has been utilizing gas from this field and in 1958 started to supply other Federal agencies in the Point Barrow area despite the absence of specific statutory authorization for this practice. The first purpose of the bill is to grant proper authority for this existing situation.

In order to continue to furnish gas to these Federal installations it is going to be necessary for the Navy to drill a third well. This well will cost about $400,000. I want to make it clear that the new well is necessary regardless of whether any gas would be sold to the village of Barrow or other communities in the area.

However, since a new well does have to be drilled the Navy can supply all of the gas needed by the Federal installations and by the communities in the area and at the same time amortize the cost of the well through sales to these native communities. The second purpose of the bill is to authorize sales of this kind.

The bill is restricted to this particular area and would have no effect on any of the other petroleum reserves.

Today coal costs the natives $42 a ton, fuel oil costs 60 cents a gallon and propane costs $56 per hundred pounds. To place these costs in an understandable context, I will point out that if the natives were using gas and paying for it at the rate that they are now paying for these other fuels, it would cost them about $3.90 per thousand cubic feet. Here in Washington we pay $1.34 per thousand cubic feet, even though it is piped all the way from Texas.

The Barrow Village Council is willing to pay $2 per thousand cubic feet, and from the testimony received it would appear that the Navy intends to charge something between $1.34 and $1.72 per thousand cubic feet. At this rate and if generation of heat within the village remained the same, the well would be amortized in 18 years. As a matter of fact, however, it is expected that the householders and other establishments will double the amount of heat now used which would mean that the well would be amortized in half that time, or 9 years.

The committee took testimony from the Department of the Interior on the subject of the responsibility of the Federal Government to the natives in the area and came to the conclusion that it was a sensible and wholly reasonable proposal that this gas, which is produced virtually in the backyard of the village, should be made available to the native population. It is no giveaway and is a sound business proposition.

I might point out that only 1 square mile of the 35,000 square miles of this reserve is involved in this bill. And I might point out also that there is no oil in this area but only gas—about 10 billion cubic feet of it.

I urge the passage of this bill.

Mr. NORBLAD. 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 Oregon?

There was no objection.

Mr. NORBLAD. Mr. Speaker, the gentleman from Illinois has described what the bill will do.

I would merely like to say that this bill represents little more than an expression of plain commonsense.

Point Barrow is, without a doubt, one of the most remote areas of the civilized world. The only way to heat a home or private establishment in Point Barrow today is to import, at enormous cost, coal or oil. And when I say enormous cost, I mean $42 a ton for coal and 60 cents a gallon for fuel oil.

Not only must these fuels be imported, but they can be brought into Point Barrow only during a limited period of the year when the area is free of ice.

When one visualizes these difficulties together with the fact that right on the spot are 10 billion cubic feet of gas, the situation simply doesn't make any sense.

There is plenty of gas for everybody—some 10 billion cubic feet. There is no question here as to whether this gas could be piped to some other area of Alaska and sold—that would be virtually a physical impossibility; the distances are just too great. So the only use that this gas can have is for our Federal installations up there and the relatively small local populace. If we followed any course other than that contemplated by this bill, we would be substituting pure form for substance. We would be saving gas which has no other conceivable use than that which the bill would permit.

And it should not be forgotten that a new well which will cost something in the order of $400,000 is needed by our important Federal installations at Point Barrow. The plan under this bill affords a very unusual opportunity to build something needed by the Federal Government which pays for itself over a period of years.

The bill is a sound one and, as I have said, is based on commonsense.

Mr. RIVERS of Alaska. 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 Alaska?

There was no objection.

Mr. RIVERS of Alaska. Mr. Speaker, I rise in support of S. 2020. This legislation would authorize the Department of the Navy to drill a third natural gas well within Naval Petroleum Reserve No. 4 in northern Alaska in order to supplement the existing supply to the Navy and other Federal agencies in that area and to make natural gas available for sale to the civilian community of Barrow through an authorized carrier or carriers. The Federal facilities involved now get natural gas for fuel from the two existing wells in this gasfield.

The more than 1,300 residents of Barrow, who are nearly all Eskimo people, are now without access to the natural gas deposits upon which their community is virtually built. These people have been forced to rely upon oil transported from faraway ports, or coal carried by sled from a small deposit located 75 miles away from their homes. The cost of both these fuels has been enormous. I am informed that Barrow residents have been required to pay $42 per ton for coal and 60 cents per gallon for oil, and that the total fuel bill for their small community has averaged approximately $250,000 per year. Thus, over the years these people have been subjected to a tremendous fuel burden.

The situation is best summed up in the Department of the Navy report which Capt. W. S. Sampson submitted to the House Committee on Armed Services under date of January 24, 1962. Speaking in support of this legislation, Captain Sampson stated:

> The gas from the South Barrow gasfield is the only fuel readily available in the Point Barrow area. The importation of other fuel into the area is very expensive and, except for air transportation, is impossible during certain periods of the year because of climatic conditions. Accordingly, the native village of Barrow would be greatly helped if it could be supplied with gas from the South Barrow field. * * * Within the currently determined limits of the South Barrow gasfield, it is determined that there is sufficient gas to meet all demands for a period of 20 years or more. Additional exploration may extend these limits.

Enactment of this legislation will not subsidize the community of Barrow. In justifying the economics of this proposal before the Senate Armed Services Committee, Capt. Kenneth C. Lovell, Director of Naval Petroleum and Oil Shale Reserves, pointed out that the Navy estimates that within 18 years the entire cost of the construction of the new well proposed by this legislation would be paid, while at the same time allowing a substantial reduction of fuel costs to the people of Barrow. The Barrow residents have expressed a willingness to pay for natural gas a retail price of up to $2 per thousand cubic feet, which, I am informed, is more than sufficient to cover the cost of amortizing the well which would be authorized by this legislation.

I also point out that under the terms of the bill now before us, the Federal agency, or agencies in control of the pipeline between gas well in the gasfield and the town of Barrow may authorize purchasers of the gas or carriers of the gas to install connections to such pipeline. In this way, the Department of Interior, which also endorses this legislation, would not be put in the public utility business or in a position to compete with such private utility as may be set up to handle the distribution of the gas to the town of Barrow.

In conclusion, Mr. Speaker, I submit that this legislation is practicable and conscionable and I strongly urge its passage.

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

A motion to reconsider was laid on the table.

NAVAL OIL SHALE RESERVES

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the bill (H.R. 5423) to amend title 10, United States Code, to authorize the Secretary of the Navy to take possession of the naval oil shale reserves, and for other purposes, be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America assembled, That title 10, United States Code, is amended as follows:

(1) Section 7421 is amended by redesignating subsection (b) as subsection "(c)" and inserting the following new subsection:

"(b) The Secretary shall take exclusive possession and control of all properties and improvements inside the naval oil shale reserves, together with all rights owned by the United States on other lands that are necessary to the operation of the experimental demonstration plant near Rifle, Colorado, which was constructed and operated by the Department of the Interior under the Act of April 5, 1944, chapter 172 (58 Stat. 190), as amended."

(2) Section 7422 is amended by redesignating subsection (b) as subsection "(c)" and inserting the following new subsection:

"(b) The Secretary shall, by contract, lease, or otherwise, maintain, conserve, and protect the naval oil shale reserves, all minerals, including oil and gas, therein, and all properties and improvements thereon and shall encourage experimental work in extraction of synthetic liquid fuels from oil shale, subject to approval by the President. However, this chapter does not authorize the commercial development and operation of the naval oil shale reserves by the Government in competition with private industry."

(3) Section 7430(a) is amended to read as follows:

"(a) The Secretary of the Navy in administering the naval petroleum and oil shale reserves under this chapter shall use, store, sell, or exchange for other petroleum or refined products, the oil and gas, including royalty oil and gas, and shale oil produced from lands in the naval petroleum and oil shale reserves and lands outside petroleum reserve numbered 1 covered by joint, unit, or other cooperative plans, for the benefit of the United States."

(4) Clauses (1), (2), and (3) of section 7431 are amended to read as follows:

"(1) A lease of any part of the naval petroleum or oil shale reserves.

"(2) A contract to alienate from the United States the use, control, or possession of any part of the naval petroleum or oil shale reserves (except that consultation and Presidential approval are not required in connection with the issuance of permits, licenses, easements, grazing and agricultural leases, rights-of-way, and similar contracts pertaining to use of the surface area of the naval petroleum and oil shale reserves).

"(3) A contract to sell the oil and gas (other than royalty oil and gas) and shale oil produced from the naval petroleum and oil shale reserves."

(5) Section 7432(a) is amended to read as follows:

"(a) Expenses incurred by the Secretary of the Navy with respect to the naval petroleum and oil shale reserves shall be paid from appropriations made available for the purposes specified in this chapter."

(6) Section 7433(b) is amended to read as follows:

"(b) All money accruing to the United States from lands in the naval petroleum and oil shale reserves shall be covered into the Treasury."

(7) Section 7434 is amended to read as follows:

"§ 7434. Quarterly reports to Armed Services Committees

"Within thirty days after the close of each quarter, the Secretary of the Navy shall report to the Committees on Armed Services of the Senate and the House of Representatives the production from the naval petroleum and oil shale reserves during the preceding quarter."

(8) Section 7438 is repealed.

(9) The analysis of chapter 641 is amended by striking out the following item:

"7438. Exclusion of naval oil shale reserves."

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That title 10, United States Code, is amended as follows:

"(1) Section 7421 is amended to read as follows:

"'(a) The Secretary of the Navy shall take possession of all properties inside the naval petroleum and oil shale reserves that are or may become subject to the control of and use by the United States for naval purposes, except as otherwise provided in section 7438 hereof.

"'(b) The Secretary has exclusive jurisdiction and control over those lands inside naval petroleum reserves numbered 1 and 2 that are covered by leases granted under sections 181–184, 185–188, 189–194, 201, 202–209, 211–214, 223, 224–226, 226d, 226e, 227–229a, 241, 251, and 261–263 of title 30, and shall administer those leases.'

"(2) Section 7422 is amended to read as follows:

"'(a) Except as otherwise provided in section 7438 hereof, the Secretary of the Navy, directly or by contract, lease, or otherwise, shall explore, prospect, conserve, develop, use, and operate the naval petroleum and oil shale reserves in his discretion, subject to approval by the President.

"'(b) The naval petroleum and oil shale reserves and lands outside naval petroleum reserve numbered 1 covered by contracts under section 7426 of this title, shall be used and operated for—

"'(1) the protection, conservation, maintenance, and testing of those reserves; or

"'(2) the production of petroleum, gas, oil shale and products thereof whenever and

to the extent that the Secretary, with the approval of the President, finds that it is needed for national defense and the production is authorized by a joint resolution of Congress.'

"(3) Section 7423 is amended to read as follows:

"'The Secretary of the Navy shall from time to time reexamine the need for the production of petroleum or products from oil shale for national defense when that production is authorized under section 7422 of this title. If he finds that the authorized quantity is no longer needed, he shall reduce production to the amount currently needed for national defense.'

"(4) Section 7424 is amended to read as follows:

"'(a) To consolidate and protect the oil lands owned by the United States, the Secretary of the Navy may—

"'(1) contract with owners and lessees of land inside or adjoining naval petroleum and oil shale reserves for—

"'(A) conservation in the ground of oil and gas; and

"'(B) compensation for estimated drainage in lieu of drilling or operating offset wells; and

"'(2) acquire privately owned lands or leases inside naval petroleum reserve numbered 1 by exchange of—

"'(A) lands of the United States inside naval petroleum reserve numbered 1;

"'(B) the right to royalty production from any of the naval petroleum reserves; and

"'(C) the right to any money due the United States as a result of the wrongful extraction of petroleum products from lands inside naval petroleum reserve numbered 1.

"'(b) The Secretary shall report annually to Congress all agreements under this section.'

"(5) Section 7428 is amended to read as follows:

"'Every unit or cooperative plan of development and operation, except a plan authorized by section 7426 of this title, and every lease affecting lands owned by the United States within the naval petroleum and oil shale reserves shall contain a provision authorizing the Secretary of the Navy, subject to approval by the President and to any limitation in the plan or lease, to change from time to time the rate of prospecting and development on, and the quantity and rate of production from, lands of the United States under the plan or lease, notwithstanding any other provision of law.'

"(6) Section 7430 is amended to read as follows:

"'(a) The Secretary of the Navy in administering the naval petroleum and oil shale reserves under this chapter shall use, store, sell, or exchange for other petroleum or refined products, the oil and gas products, including royalty products, oil shale and products therefrom produced, from lands in the naval petroleum and oil shale reserves and lands outside petroleum reserve numbered 1 covered by joint, unit, or other cooperative plans for the benefit of the United States.

"'(b) Each sale of petroleum, gas, other hydrocarbons, oil shale, or products therefrom, under this section shall be made by the Secretary at public sale to the highest qualified bidder at such time, in such amounts, and after such advertising as the Secretary considers proper.'

"(7) Section 7431 is amended to read as follows:

"'The Committees on Armed Services of the Senate and the House of Representatives must be consulted and the President's approval must be obtained before any condemnation proceedings may be started under this chapter and before any of the following transactions authorized by this chapter may be effective:

"'(1) A lease of any part of the naval petroleum or oil shale reserves.

"'(2) A contract to alienate from the United States the use, control, or possession of any part of the naval petroleum or oil shale reserves (except that consultation and Presidential approval are not required in connection with the issuance of permits, licenses, easements, grazing and agricultural leases, rights-of-way, and similar contracts pertaining to use of the surface area of the naval petroleum and oil shale reserves).

"'(3) A contract to sell the oil and gas (other than royalty oil and gas), oil shale, and products therefrom produced from any part of the naval petroleum and oil shale reserves.

"'(4) A contract for conservation or for compensation for estimated drainage.

"'(5) An agreement to exchange land, the right to royalty production, or the right to any money due the United States.'

"(8) Section 7432 is amended to read as follows:

"'(a) Expenses incurred by the Secretary of the Navy with respect to the naval petroleum and oil shale reserves shall be paid from appropriations made available for the purposes specified in this chapter.

"'(b) Expenditures necessary to carry out this chapter shall be made under the direction of the President, who shall submit estimates for these expenditures as prescribed by law.'

"(9) 7433 is amended to read as follows:

"'(a) Any oil, gas, gasoline or other substance accruing to the United States as royalty from any lease under this chapter shall be delivered to the United States, or shall be paid for in money, as the Secretary of the Navy elects.

"'(b) All money accruing to the United States from lands in the naval petroleum and oil shale reserves shall be covered into the Treasury.'

"(10) Section 7434 is amended to read as follows:

"'Within thirty days after the close of each quarter, the Secretary of the Navy shall report to the Committees on Armed Services of the Senate and House of Representatives the production from the naval petroleum and oil shale reserves during the preceding quarter.'

"(11) Section 7435 is amended to read as follows:

"'(a) If the laws, customs, or regulations of any foreign country deny the privilege of leasing public lands to citizens or corporations of the United States, citizens of that foreign country, or corporations controlled by citizens of that country, may not, by contract made after July 1, 1937, or by stock ownership, holding, or control, acquire or own any interest in, or right to any benefit from, any lease of land in the naval petroleum, naval oil shale, or other naval fuel reserves made under sections 181–184, 185–188, 189–194, 201, 202–209, 211–214, 223, 224–226, 226d, 226e, 227–229a, 241, 251, and 261–263 of title 30, or under this chapter.

"'(b) The Secretary of the Navy may cancel any lease for any violation of this section.'

"(12) Section 7438 is amended to read as follows:

"'§ 7438. Rifle, Colorado, Plant; possession, use, and transfer of

"'(a) The Secretary of the Interior shall take possession of the experimental demonstration facility near Rifle, Colorado, which was constructed and operated by the Department of the Interior on lands on or near the naval oil shale reserves under the Act of April 5, 1944, chapter 172 (58 Stat. 190), as amended.

"'(b) The Secretary of the Interior, subject to the approval of the President, shall by contract, lease, or otherwise encourage the use of the facility described in subsection (a) above in research, development, test, evaluation, and demonstration work. For such purposes the Secretary of the Interior may use, lease for use by institutions, organizations, or individuals, public or private, or transfer by letter to the Secretary of the Navy the facility described in subsection (a) above and may construct, install, and operate, or lease for operation additional experimental facilities on such lands. The Secretary of the Interior may, after consultation by the Secretary of the Navy with the Committees on Armed Services of the Senate and the House of Representatives, mine and remove, or authorize the mining and removal, of any oil shale or products therefrom from lands in the naval oil shale reserves that may be needed for such experimentation.

"'(c) Nothing herein contained shall be construed—

"'(1) to authorize the commercial development and operation of the naval oil shale reserves by the Government in competition with private industry; or

"'(2) in diminution of the responsibility of the Secretary of the Navy in providing oil shale and products therefrom for needs of national defense.'

"(13) The analysis of chapter 641 is amended as follows: In the last line after the figure '7438' delete the words 'Exclusion of naval oil shale reserves' and insert in lieu thereof the words 'Rifle, Colorado, plant; possession, use, and transfer of.'"

Mr. PRICE. Mr. Speaker, I move to strike out the last word.

Mr. GROSS. Mr. Speaker, will the gentleman explain the amendment?

Mr. PRICE. The amendment is merely a restatement of the language used as it relates to the petroleum reserves and merely adds the words "oil shale reserves" here and there. It is a long amendment, but actually only substitutes the words "oil shale reserves" in different sections.

Mr. GROSS. Does this bill in any way involve or deal with offshore oil?

Mr. PRICE. No; it does not.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. PRICE. Mr. Speaker, H.R. 5423 is a bill relating to the naval oil shale reserves and to the experimental plant located on one of them.

With respect to this bill, you will note that the committee's amendment is a long one. The amendment, however, although long, is actually only a restatement of existing law as it relates to the petroleum reserves, with only an insertion here and there of the words "oil shale reserves." The only other new material is a reference to the experimental plant on reserve No. 3 which I will discuss in a moment.

Perhaps I should say at this time that there are three naval oil shale reserves—two of them in Colorado and one in Utah; altogether they total about 150,000 acres and have an estimated potential of some 26 billion barrels of oil.

Although this bill would make the petroleum reserve laws applicable to all of the oil shale reserves, I think we have a particular interest in oil shale No. 3 which is located near Rifle, Colo. The reason for this is that it is on this reserve that the experimental plant to which I referred is located. This plant was constructed in 1944 by the Department of the Interior and was operated by that Department until 1956 at which time the plant, which cost about $4.5

million was placed in a standby caretaker status.

The essential and most basic function of this bill is to remove a jurisdictional void which exists because of an opinion of the Attorney General in 1958 which raised serious questions as to general jurisdiction and control over the oil shale reserves and over the experimental plant. In effect, the Attorney General's opinion held that neither the Navy nor Interior could do anything with the reserves or the plant other than hold them as they were.

Indeed, it even precluded the Navy Department from engaging in soil conservation, the thinning of deer herds and things of that kind. This bill will remove these jurisdictional questions and place the reserves under naval control and also clarify the status of the experimental plant.

Actually, at the time of the hearings on this bill, the committee was, in effect, hearing two bills since the Department of the Interior had its version of the measure which varied from the Navy version in one essential respect; under the Interior version of the bill, the Navy would take possession and control of the oil shale reserves but the plant, built by Interior, would be taken over by the Department of the Interior.

Since historically the Bureau of Mines of the Department of the Interior has been the agency of the executive branch which has dealt with mineral resources development, and since authority for this activity has been vested in it by the Congress and by direct instruction from the President, the committee felt that H.R. 5423 should be amended so as to result in a combination of the two versions of the bill. The new language will give possession and control of the oil shale reserves to the Navy and will give the experimental plant to the Department of the Interior. I might say that this solution is entirely agreeable to both the Interior Department and the Department of the Navy.

I think I should point out that the experimental plant which was built by the Department of the Interior in 1944 operated until 1956. At that time experimentation at the plant was stopped and the plant has been idle since that time.

The plan of the Department of the Interior is to place this experimental plant back in operation. It will do this by operating the plant itself or perhaps enter into a contract with educational institutions or private companies. In short, it will study the whole matter and determine what will permit the widest and most beneficial use of the facility. The idea behind the whole use of the plant is to make it available for both Government and privately sponsored projects.

Although I have mentioned it before, I would like to stress the fact that all of the laws which the Armed Services Committee has been dealing with for so long with respect to the petroleum reserves would under this bill be equally applicable to the oil shale reserves.

In addition to the consultation which has been held with the Armed Services Committee with respect to the petroleum reserves—and now the oil shale reserves—it should be noted that actual production of products from any of the reserves can begin only if directed by the Secretary of the Navy, agreed to by the President, and authorized by a joint resolution of the Congress. All of the controls, limitations, and protections which the Committee has been dealing with for so long in the area of petroleum reserves will apply with equal force and effect to the valuable oil shale reserves.

This bill clears up the jurisdictional void which has been existing since 1958 with respect to these properties and will permit beneficial use of an important facility which has already been idle too long. That is all the bill does.

That concludes my statement and I urge the passage of this bill.

Mr. NORBLAD. Mr. Speaker, the gentleman from Illinois has given a good description of what this bill will do. And I would like to add only a few remarks relating to the experimental plant and the plan for running it.

I bring this matter before the House because it was the subject of considerable discussion before the committee and should, therefore, be of similar interest to the Members of the House.

As has been mentioned, the bill as originally introduced would have turned both the oil shale reserves and the experimental plant over to the Navy. But because of the traditional role of the Bureau of Mines, Department of the Interior, in the area of mineral resources development, the Committee decided, and both departments agreed, that the experimental plant should be run by the Interior Department.

Actually, it would make little difference which department was designated to operate the plant since the testimony before the committee disclosed that they both would approach this matter in essentially the same fashion.

This is the plan and I will use the Department of the Interior's own words in describing their proposal:

Something useful should be done with the oil shale demonstration plant, which has been idle, with a minimum of custodial care for 6 years.

If the bill becomes law, the Department of the Interior may operate or alternately, contract and lease all or part of the Rifle facility in the manner best suited to the public interest, consistent with available funds. Contractors and lessees can be either public or private organizations. In this way the Rifle facilities will be available for both Government and privately sponsored projects. The Department's research will be programed to operate harmoniously with existing contracts.

Each contract or lease will contain rigid specifications to protect both the Government's responsibilities as well as the public interest in its property. All contracts are subject to prior review for legal sufficiency by the Solicitor's Office of the Department.

Agreements or contracts will have suitable provisions incorporated so that the Government may terminate for just cause such as failure to maintain Government property or make satisfactory progress on the work.

The objective will be to carry out actively research projects on oil shale and shale oil. Programs conducted by lease or contract arrangements will specifically state the conditions for using the facility or parts thereof, maintenance, and related items will be carefully specified in the contracts as well as the monetary considerations.

The Government, the contractor, lessee, or the cooperator as the case may be will be protected by adequate patent provisions.

Reactivation of the Rifle facility will provide a source of oil shale and shale oil for research and development work for various public and private organizations.

Let me repeat a matter which was referred to by the gentleman from Illinois because I think it is important for a full understanding of both the petroleum and oil shale reserves.

This bill authorizes the removal of only sufficient oil shale for experimental purposes. No production of oil can be carried on at these reserves without extensive executive agreement and the passage by the Congress of a joint resolution.

I doubt whether any of our natural resources is more protected than the petroleum and oil shale reserves. Congress has full cognizance and control over them.

I trust that this bill will receive the same overwhelming approval on the floor that it did in the Armed Services Committee.

Mr. ASPINALL. Mr. Speaker, I need not advise my colleagues at this time of my long-standing and keen interest in the development of the oil shale industry, particularly as it would affect the vast reserves of oil shale in Colorado, Utah, and Wyoming. Also, I think there is general knowledge of my interest in seeking to have the oil shale demonstration plant reactivated on a constructive program of research at Rifle, Colo. I have kept in constant touch with the development of this industry through its sometimes painful embryonic and infant stages. I am well enough acquainted with the legislative and administrative history of oil shale development to be in a position to take a realistic view of what has been the pattern of development in this industry, where we are now, and where we go from here. Not the least of my concern is the present situation in which the U.S. Government is maintaining ownership over a deteriorating plant at a cost of $150,000 a year. With your permission, I would like to address myself briefly to the matter of the present and future.

The present status of the Federal Government's participation in oil shale development has reached an impasse over the jurisdictional question of possession. Because I firmly believe this problem is not insoluble, I have joined with Chairman VINSON in introducing the legislation that is before this committee.

The problem actually divides itself into two segments: (1) possession of the natural resource itself, or the real estate; and (2) possession of the pilot plant facilities near Rifle, Colo.

First, let me speak on the question of the jurisdictional possession of the real estate. For many years, following enactment of title 10 of the United States Code

in 1920, it was assumed that the U.S. Navy did, in fact, possess the oil shale reserves, but was restricted to ownership and prohibited from developing or operating such reserves. In 1958, the Attorney General of the United States ruled that the Navy, under the terms of section 7422, title 10 of the United States Code, did not have the authority even to lease the property; in effect, saying that the Navy did not own or have any actual jurisdiction over the oil shale reserves. Until this question of real estate possession is cleared up, no action of any kind can be taken with respect to the future of the development of this area. It is for this reason that I have joined with Chairman VINSON in urging that title 10 be amended to permit the Navy to conduct their affairs with respect to naval oil shale reserves with the same authority that is granted to them with respect to naval petroleum reserves.

Let me now turn to the matter of the possession rights to the pilot plant facilities at Rifle, Colo. As most of you may know, this is the plant that was built and operated by the Department of the Interior. This very fact would seem to give weight to the contention on the part of the Department of Interior that they have possession and operating rights with respect to this property. However, they, too, have had to suspend all activity on their oil shale research operations.

May I repeat my statement that these problems are not insoluble. As I have studied the official positions of both the Departments of Navy and Interior, it is my understanding that neither one has the desire to go into the "oil shale business." Both have indicated, however, a desire to see the research program reactivated through the means of either renewing the Bureau of Mines operation, or leasing the facility to any party, private or public, that shows an interest in such activities. I have no firm position as to any particular procedure—only a desire to see some action taken that will assure a continuation of a very much needed research program that may some day pay dividends that we cannot even dream of today.

I would then make this suggestion: give to the Department of Interior the authority to use or lease the demonstration plant facilities at Rifle, Colo. This would, in effect, throw open the doors to the private engineering company, the private oil company, the college or university that has no opportunity to conduct research or experiments in the oil shale field at an on-site location. If, at the end of a reasonable period of time, and that could be 6 months or 1 year, for one reason or another the Department of Interior has been unable to effect activation of the plant by and/or for itself, then the entire facility could be turned over to the Department of the Navy for either lease, use, or, if necessary, deactivation.

This proposal places heavy emphasis on the matter of leasing the facility to interested parties. This has been suggested with good reason. My correspondence in recent months has indicated a lively interest in such a prospect. I can, at this time, tell the members of this committee that I have received indications from organizations which have expressed an eagerness to work out a leasing agreement at the Rifle plant. At Rifle, there are facilities in being that could be of significant value to smaller commercial concerns who have oil shale projects they wish to perform, but who cannot afford the capital expenditures for construction of such a complete installation. A lease that would permit Government projects also to be conducted could make it possible for the Bureau of Mines to complete some of its planned evaluation work, without the expense of supporting the entire facility.

I have informally inquired whether there would be any interest on the part of educational institutions. This inquiry has met with unexpected enthusiasm. Evidence of this enthusiasm is contained in a report prepared by Mr. Jack East of Denver, Colo., and submitted to the Secretary of the Navy with a copy to the Secretary of the Interior. I think it can be shown that such working agreements have the potential of significantly decreasing Government expenditures on this facility.

There is much to be done in working out the details of such a program, but from what I have learned through correspondence and personal conversations, I have the growing feeling that this is a promising path to follow in reaching for the objective of an oil shale industry that would be alive and ready to move in any direction when the best interests of this Nation demand.

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.

TEST BAN PROPOSALS

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

The SPEAKER pro tempore. is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BECKER. Mr. Speaker, I received, as most Members did, a letter from the U.S. Arms Control and Disarmament Agency. I hope all Members took the time to read that letter. I read it. One paragraph of this letter says this:

> These developments have shown the way to a control system which would cost less to construct and run, which would be simpler to manage, which would begin operation in a matter of months from ratification of a treaty, and would in no way jeopardize our national security.

In my answer to that letter, I want to call your attention to the last two paragraphs of my reply:

> There is one answer to this whole problem and it is simply this: You must recognize the full intent of the Kremlin to win domination of the entire world by their strategy of protracted conflict.
>
> If you do not understand this and expect that mere treaties and agreements are going to solve the question—God help our country.

Mr. Speaker, the full text of the letters are as follows:

U.S. ARMS CONTROL AND DISARMAMENT AGENCY,
Washington, D.C., August 10, 1962.

Hon. FRANK J. BECKER,
House of Representatives.

DEAR CONGRESSMAN BECKER: In view of the discussion in the press of the new test ban proposals the United States is submitting to the Geneva Disarmament Conference, I thought you might be interested in hearing more about them.

There have been two key technical developments on which the new proposals are based. The first establishes a better capability for long-distance detection of earth tremors caused by nuclear explosions or earthquakes, and makes it possible to propose a simpler and more economical system of internationally supervised long-range detection stations, manned largely by the country where located.

The second is that an earlier estimate of the number of tremors from earthquakes which might be confused with tremors from nuclear explosions has been shown by actual observation and research to be several times too large. Since there are fewer earthquakes which produce tremors similar to those of an explosion, the number of onsite inspections needed to identify the cause of the tremors is less. However, on-site inspections are still essential.

These developments have shown the way to a control system which would cost less to construct and run, which would be simpler to manage, which could begin operation in a matter of months from ratification of a treaty, and would in no way jeopardize our national security.

The new proposals were developed by this Agency in cooperation with other agencies. They were approved by the President on the unanimous recommendation of the Secretary of Defense, the AEC, the Director of CIA, and the Secretary of State as well as this Agency. The executive branch is strongly of the view that an adequately verified ban on all nuclear weapon tests is in the national interest.

Sincerely,

WILLIAM C. FOSTER.

AUGUST 16, 1962.

Mr. WILLIAM C. FOSTER,
Director, U.S. Arms Control and Disarmament Agency, Washington, D.C.

DEAR MR. FOSTER: Your letter of August 10 causes me to make the observation that any control system in the matter of disarmament that does not entail inspection by member nations in all areas will bring nothing but disaster to our Nation and the free world.

Certainly if your group does not understand by now that Communists cannot be trusted with any agreement, I feel sorry for the future of my country. Treaties and agreements by the hundreds have been signed with Soviet Russia, and every one of these has been broken when it was expedient for the Communists to do so.

There is one answer to this whole problem and it is simply this: You must recognize the full intent of the Kremlin to win domination of the entire world by their strategy of protracted conflict.

If you do not understand this and expect that mere treaties and agreements are going to solve the question—God help our country.

Sincerely yours,

FRANK J. BECKER,
Member of Congress.

VETERANS' ADMINISTRATION HOSPITAL

Mr. BONNER. 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 pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BONNER. Mr. Speaker, very often Members of Congress get letters criticizing the Veterans' Administration, and particularly hospitals operated by the Veterans' Administration. I have received this morning a letter from an outstanding lady who served in the Armed Forces complimenting the hospital at Durham, N.C., and the doctors and nurses serving that hospital.

The letter reads as follows:

VETERANS' ADMINISTRATION HOSPITAL,
Durham, N.C., August 12, 1962.

Hon. HERBERT BONNER,
House of Representatives,
Washington, D.C.

DEAR HERBERT: You'll possibly be surprised to know that I am in the veterans' hospital in Durham, N.C., as a patient. I have had so much responsibility with an aged mother of 86 that I was really on the verge of a nervous breakdown, but very thankful this hospital has meant that I'm now gaining weight and beginning to feel like my old self. I felt that our administrator in central office and even our President of the United States of America should know of the outstanding services rendered to veterans at this hospital in North Carolina. I knew you would know how to channel this information and that you would be happy to do so.

I especially want my wonderful Dr. Sidney E. Morrison recognized. His interest, patience, and knowledge means much to all veterans on wards 6–A and 6–B. The entire staff of nurses on these wards have fulfilled every need and desire for comfort and care, and really beyond their duty. The colored nurses' aides make it their business to follow every duty and request in the same way. In the dental department, where I have spent much time, they, too, have done the same. I would like Dr. Snyder, D.D.S., recognized for his efficiency and hours of duty beyond his requirements in the interest of veterans.

I will be here I feel sure another week, maybe longer, for I'm happy, getting well and so grateful for the services rendered. Please advise me while here of your thinking and any action taken. I can always depend on you and I appreciate my Congressman.

Sincerely,

LINDA W. KRANK.

COMMERCIAL SOLVENTS CORP.

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Indiana [Mr. ROUDEBUSH] is recognized for 20 minutes.

Mr. ROUDEBUSH. Mr. Speaker, for many years the Commercial Solvents Corp. has operated a large plant at Terre Haute, located in the Sixth District of Indiana, which I represent.

It is a well-known and highly respected organization, with leading citizens and community leaders of that Vigo County city, serving as executives and employees.

Recently, this company has been subjected to a great deal of bad publicity due to the widespread notoriety of the Billie Sol Estes scandal. One would think that this company was a creature of recent origin, designed for questionable purposes.

Nothing could be further from the truth. This company's history and its accomplishments were notable long before Mr. Billie Sol Estes was born.

I am sure that many of this body do not know that more than 40 years ago, Commercial Solvents developed the first quick-drying auto finish, thus making possible the tremendous expansion of the automobile industry in the 1920's.

This is but one of a sizable list of firsts scored by Commercial Solvents in the field of chemical research.

A more recent, an even more notable first, was Commercial Solvents breakthrough, which resulted in today's processes for the mass production, shipment, and storage of penicillin. This development has done much to reduce greatly the cost of penicillin to the patient and made this lifesaving drug available in ample supply to the people of the world.

In short, Mr. Speaker, the Commercial Solvents Corp. is not a fly-by-night company, and its management and research have contributed greatly to our Nation's economy and its people's health.

For nearly half a century, they have made important contributions to our national defense, to medical and pharmaceutical progress, to the enrichment of agriculture and to improved industrial processes.

This company has meant, and still means, a great deal to the people of my district. Its officers and employees are our friends and neighbors. I have known many of them for a long time.

Recently, the Terre Haute, Ind., newspapers commented on the problem faced by Commercial Solvents, relative to the Billie Sol Estes scandal.

I would like to conclude my remarks by submitting an editorial from the Terre Haute Star dated July 5, 1962, and the Terre Haute Tribune-Star dated June 17, 1962. I also submit for the RECORD an editorial of the Monroe, La., Morning World dated July 8, 1962.

These editorials which appeared in the newspapers on dates enumerated, do present interesting background on Commercial Solvents Corp. I commend them to the Members of this body to give better understanding of the situation concerning this company.

[From the Terre Haute (Ind.) Star, July 5, 1962]

SOLVENTS' ESTES CASE POLICY PROVED CORRECT, SAYS PRESIDENT WHEELER

Confidence that the rightness of the Commercial Solvents Corp., position will be recognized in the Billie Sol Estes case was expressed here this week by Maynard Wheeler, president of the corporation.

In an interview, he expressed particular gratification that investigations have shown the Solvents financial position in the Estes case sound and that its officials had displayed prudence in demanding safeguards from the start.

Wheeler, here for the July 4 holiday at his home southeast of the city and to visit his office in the original Solvents plant, remarked of the current congressional investigations of the Estes financial collapse that there has been opportunity to make the corporation's policy clear and that there would be more opportunities in the future.

"Meanwhile," he said, "we are glad to say our business has been good. A good first quarter and a good second one, too. The many customers who know us and our record are standing shoulder-to-shoulder with us. We are proud of our employes who have never doubted the integrity of their management, and of the neighbors who have been our stanch friends."

In discussing the Pecos area of Texas, Wheeler pointed out that it has been the scene of sharp price-cutting activities for many years, and that this severe industrial warfare continues.

Far from being a price cutter, he said, Solvents in the field of anhydrous ammonia liquid fertilizer has maintained a price it believes fair to the producer and the user alike.

"Incidentally," he said, "we are continuing today to serve much of the west Texas market with anhydrous ammonia."

Part of the furor over the Billie Sol Estes case has been due to a heated Texas political situation, he said, and on the national level the correctness of the Solvents policy is being recognized "despite the vigorous efforts which continue to be made to make this company the scapegoat for the carelessness of a lot of people, in Government and in business, too."

Remarking that "vicious attacks have been made on our integrity," he declared "this is not too surprising when one realizes that in this disaster, in which tens of millions of dollars probably will have been lost by persons who extended their credit without checking on their security, we are the only principal creditor which took the trouble to get sound collateral for the advances we made."

At the time the Estes case first received publicity, a Solvents announcement said that he, or his companies, owed Solvents $5,700,000. This was secured by an assignment of Government payments for grain storage in Estes' elevators.

As it appeared that the case might reflect unfavorably on Government agricultural controls and grain storage policies there was a movement to take grain out of the Estes elevators, but this met immediate opposition in the U.S. court which has jurisdiction over the Estes receivership. It was pointed out that if the desire was to penalize Estes it would misfire, since the actual operator of the elevators or storage places now is the Federal court, on behalf of Estes' creditors.

However, the Solvents contracts, which were approved by the Department of Agriculture, are not necessarily endangered even by the sharpest charges made against Wheeler and the corporation, according to Dallas lawyer Frank Cain.

Cain said in Texas, and last week repeated before a House inquiry, that Wheeler said at a breakfast meeting that Solvents might set Estes up in Switzerland, or would take over the grain storage business and keep the bins full. Wheeler has branded this testimony false.

Cain represents the Pacific Finance Co., 1 of 10 finance companies which Estes owes $22 million.

At the House hearing a committee counsel suggested to Cain that "from the standpoint of the obligations that were coming to your company, as well as the rest of them, it is obvious that there would have been some real advantage to your company had you been able to prove that there was some kind of conspiracy between Solvents and Mr. Estes."

Cain, however, replied, "I don't quite follow you on that."

At another point it was suggested by counsel for the committee "you are pretty well left out, aren't you, except for what you can collect from the farmers?"

Cain replied, "I would say that probably would be true. I don't know. It would be speculation. As I said before, if they got apparently a mortgage, an assignment of everything that he has of any real value."

As to the statements he said Wheeler made—and which Wheeler has denied—Cain was asked if these statements—if they were made—have "any special significance in determining whether those assignments are valid?"

Cain replied: "I wouldn't think—no, I don't think so. I don't think what he said would affect the validity one way or the other, what he said to me at the talk we had, he and Mr. Estes and myself. I can't just offhand say that there was anything."

Asked if, in trying to protect the interests of his client, Pacific Finance, he had considered if the Solvents claims would be upset if he could show conspiracy with Estes, and if he could therefore improve his client's position, Cain replied:

"I can tell you I have checked and continued to check. I have continued to brief and will do everything I can to find out the legal status of their position."

Wheeler, in his visit here voiced gratitude that a vigorous defense of the Solvents position was made before the House by Representative FRED SCHWENGEL, of Iowa, as part of a charge that efforts were being made to elect this company "official scapegoat" in the Estes scandal.

"The Members of this body," said SCHWENGEL, "had a right to expect that this probe would be conducted in an impartial manner and that its only purpose would be to protect the public's interest. Instead, this probe has been converted into a partisan witch hunt, during the course of which certain members of the committee, at least, seem more interested in hunting headlines than they are in hunting evildoers.

"The majority party is now using the Billie Sol Estes case to smear innocent businessmen, to blacken the names of decent Republicans.

"This inquiry has been going on now for several weeks. Only a part has been devoted to the Government employees who took gifts from Estes and thus dishonored the public service. One such witness was treated gently, almost with deference.

"By contrast, almost the entire time has been devoted to a vain attempt to smear a legitimate business concern, the Commercial Solvents Corp., on the sole ground that it sold chemical fertilizers in large amounts to the Estes firms. In this pursuit, the public has been treated for several days to a classic example of indictment by newspaper headline. Each day brings a new sensational charge against Commercial Solvents, and each succeeding edition of the press reveals that the charge was false.

"Why has Commercial Solvents been selected as the official scapegoat in this case instead of the evildoers who corrupted the Department of Agriculture and defiled the Federal service?

"The answer is easy. It has been time-honored custom of our friends across the aisle to seek to arouse popular mistrust and hatred of legitimate business whenever they could find themselves in political hot water.

"After 3 weeks of lurid headlines, what have we got? Sworn evidence that the officials of Commercial Solvents Corp. were not even remotely connected with the scandals which brought Billie Sol Estes into the toils of the law. Sworn evidence that Commercial Solvents had only normal commercial relations with Mr. Estes, and nothing else."

[From the Terre Haute (Ind.) Tribune-Star, June 17, 1962]

WHEELER'S REPLY TO ESTES CHARGE

Maynard C. Wheeler, president of Commercial Solvents Corp., who on Friday termed as "preposterous, wholly unfair and without the slightest foundation" a charge that there was three-way collusion involving his company, Billie Sol Estes and the Department of Agriculture, released the full text of his reply to the charge to the Tribune Saturday evening.

Mr. Wheeler spent the weekend at his country home near Riley following several days of testimony in Washington before a House subcommittee which is investigating Estes' dealings in storage of Government-owned surplus grain.

The collusion charge was made by Congressman ROSS BASS, a Tennessee Democrat and member of the committee.

Wheeler stated Saturday "even a cursory inquiry into the matter would have shown the Congressman's utterances to be false and without foundation."

Commercial Solvents loaned Estes money which he used to go into the grain storage business, and as security Estes assigned to Commercial Solvents Corp., all Government grain storage payments he was to receive—which procedure it is pointed out, is a customary practice.

President Wheeler's statement in reply to the charge (reported only in part by the wire services) follows in full:

"Mr. Chairman, a preposterous charge was made here yesterday [Thursday]—and widespread publicity has been given that charge—that there existed a three-way collusion involving Commercial Solvents, Billie Sol Estes, and the Department of Agriculture.

"That charge is utterly without foundation. The facts refute it. However, I must also say now that it is unfortunate—and most unfair—that such a reckless charge should be made even before your committee's inquiry is finished.

"But what I think will be of particular interest to you, Mr. Chairman, is that the main contention used to support the charge of collusion is flatly in error. And even a cursory inquiry into the matter would have shown this.

"It was repeatedly stated here Thursday that the Department of Agriculture approved Estes assignment of grain storage receipts to Commercial Solvents Corp. before his grain storage contract was approved.

"That is not so—

"Here are just a few quotes on that point from the transcript:

"Mr. BASS said: 'And then the Department of Agriculture assigned all the money to Commercial Solvents before they ever gave him a contract.'

"Mr. BASS said: 'Why would the Dallas office in a routine manner assign you the money—now listen—they assigned you this money before Mr. Estes has a contract.'

"Mr. BASS said: 'It is a clear area of collusion.'

"Mr. BASS said: 'Mr. Chairman, I would like for the Chairman to try to secure the name of the Department of Agriculture official who gave assignments on payments from the Government that were not even due, had no idea of being due, and where the Government had no obligation at all before a contract was ever signed.'

"Mr. Chairman, not only was the assignment not approved by Agriculture before the contract was approved—the assignment form itself was not even delivered to Commercial Solvents Corp. until after the grain storage contract was approved.

"The grain storage contract was approved March 9, 1959. Mr. Cooper of Mr. Estes' organization mailed the completed assignment forms to Commercial Solvents Corp. on March 10. Several weeks later, April 1 to be exact, Commercial Solvents Corp. mailed the forms to the Department of Agriculture. The records of the Department show receipt and approval in the Dallas office at 11:30 a.m. on April 2.

"And, Mr. Chairman, I hope that one thing we can all agree on is that April 2, 1959, did not come before March 9, 1959.

"We denied this charge when it was made. We also took the trouble, after yesterday's hearing, to doublecheck the facts and to confirm our understanding of this date sequence. The Department of Agriculture affirmed the fact that the assignment was approved April 2.

"May I say, respectfully, Mr. Chairman, that a simple inquiry such as the one we made could have served as an alert against such a reckless and unfounded charge. I don't know what you can do now, Mr. Chairman, to undo the damage done yesterday to us, to our stockholders, our employees, and to responsible Government officials.

"We hope you will be able to do something—at least to the end that such irresponsible charges will not be made again.

"We cannot compete in the publicity arena with this type of charge made here—and it is the publicity which does the great harm to the reputations of those who are injured. We can only appeal to the chairman's demonstrated sense of propriety and fair play.

"There is one more aspect of these accusations I wish to deal with. It was suggested there was something wrong about Mr. Jackson going to the Departmnet of Agriculture to inquire about the general prospects for grain storage.

"Your staff had been supplied with copy of a memorandum which Mr. Jackson wrote about that visit on November 19, 1958, and I would like to have that memo, addressed to Mr. S. T. Ellis, who was then executive vice president of our corporation, placed in the record.

"In this memo, Mr. Chairman, Mr. Jackson stressed that he found that in spite of increasing grain surplus there were no indications that any change in the Government storage program would come about. To the contrary, it was expected that, on a national basis, storage needs would increase from 2 to 4 billion bushels, and the additional storage capacity being projected at that time would not be sufficient to handle the 1959 surplus. It was believed that another billion bushels of storage would be required, and therefore, in Mr. Jackson's opinion, prospects for continued operation of the Smith-Bawden terminal under the new Estes management appeared excellent, with an indicated $480,000 annual revenue assignable to Commercial Solvents Corp."

FAILS TO RETRACT

Congressman BASS was not in the committee room when Wheeler presented his statement. He arrived shortly afterward, but declined immediate comment and has yet to admit the gross errors in dates and other phases of his utterances.

[From the Monroe (La.) Morning World, July 8, 1962]

COMMERCIAL SOLVENTS CORP. HEAD GIVES VIEWS ON CASE

The rightness of Commercial Solvents Corp.'s position, "the integrity of its management, is now beginning to be understood despite the vigorous efforts which continue to be made to make the company the scapegoat for the carelessness of a lot of people in Government and in business, too," M. C. Wheeler, president of the corporation, said here Saturday.

Wheeler was referring to the Billie Sol Estes case and some of the charges that have

been made against Commercial Solvents Corp.

"Investigations are painful and difficult things to undergo," he said, "but they do bring out facts, and we have had the opportunity to tell under oath a great deal of what went on in the Estes situation. We are sure that the testimony we gave made a great deal of difference in official understanding of the situation. There will be more opportunity in the future, we are sure."

Wheeler pointed out that several Members of Congress have "seen what is happening and have spoken up."

VICIOUS ATTACKS

"Vicious attacks have been made on our integrity," he said. "This is not too surprising when one realizes that in this disaster, in which tens of millions of dollars probably will have been lost by persons who extended credit without checking on their security; we are the only principal creditor which took the trouble to get sound collateral for the advances we made.

"Incidentally, we are continuing today to serve much of the west Texas market with anhydrous ammonia.

"The success of all our business depends very largely on what we have been able to do for farmers in improving productivity of their land and herds and flocks. We hope that before long all the investigations will be behind us and we can concentrate on new products and growing markets, as well as those in which we have been represented in the past.

"We are glad to say our business has been good," Wheeler said. "A good first quarter and a good second one, too. The many customers who know us and our record are standing shoulder to shoulder with us. We are proud of our employees who have never doubted the integrity of their management, and of the neighbors who have been our stanch friends."

In an interview, Wheeler was asked "Why, of all the Estes creditors, do you think Solvents has been singled out for such violent attacks?"

"It looks like the usual two reasons—money and politics," he said. "It must be realized that tens of millions of dollars of credit were extended, much of it by firms much larger than ours and much of it by persons much closer to the Estes operations than we are. Yet, apparently we were almost alone in insisting that the credit we gave be accompanied by adequate security. On the political side, unfortunately there are those in this country who always want to attack a business. They think a corporation is a natural target, always forgetting that it is the maker of jobs, of better products and all the material things that make our life better. Then too, an attack on us was used to try to shift blame to a former administration."

Asked why was such a strong attack made on your personal integrity and on your statements of events, Wheeler replied:

"That is something we may learn sometime. It is not for us to try to read the minds of people who are against us. If you read the record of the House investigation you will see one Congressman stating to a witness: 'It is obvious there would have been some real advantage to your company had you been able to prove that there was some kind of conspiracy between Solvents and Mr. Estes.'

"And at another point a witness was asked by the committee counsel:

"'If Commercial Solvents has a legally valid and binding claim, as apparently on the surface it would appear, and there aren't any other assets, you are pretty well left out, aren't you, except for what you can collect from the farmers?'

"And again he asked:

"'Would the comments made by Mr. Wheeler, according to your testimony, which he has denied making, have any special significance in determining whether those assignments are valid?'

"And again: 'In all the time that you have been associated with this case you have never given consideration to the fact that if it were possible to establish a conspiracy involving Billie Sol Estes and Commercial Solvents, that this might upset the validity of the claim which Commercial Solvents has to the grain storage revenues and therefore advance your priority?

"'So you have given no thought to the fact that if it could be proved, your testimony as to Mr. Wheeler's comments about setting Billie Sol Estes up in Switzerland and the other remarks he made, might be very helpful in establishing a conspiracy between Billie Sol Estes and Commercial Solvents?'"

In answer to a question on the nature of the business between the company and Estes, Wheeler said:

"It is very important to realize two things: First, because our business is a very competitive one, arrangements such as we had with Estes, while not an everyday occurrence, are not unusual either. Other companies have extended millions of dollars of credit through one outlet before now, and so have we, although never quite as much as in this case."

Wheeler pointed out that in lending the money, the security was good and said, "our rights to it are founded on justice and we certainly expect to be able to recover all that will be available."

Wheeler also cited the defense made of Commercial Solvents by Representative FRED SCHWENGEL, of Iowa, during a debate on the farm policy.

Among some of the points SCHWENGEL made, Wheeler said, were:

1. The probe has been converted into a partisan witch hunt, during the course of which certain members of the committee, at least, seem more interested in hunting headlines than they are in hunting evildoers.

2. The "majority party is now using the Estes case to smear innocent businessmen, to blacken the names of decent Republicans."

3. "Only a part of the inquiry has been devoted to Government employees who took gifts from Estes and thus dishonored the public service. By contrast, almost the entire time has been devoted to a vain attempt to smear a legitimate business concern, the Commercial Solvents Corp., on the sole ground that it sold chemical fertilizer in large amounts to the Estes firms. In this pursuit, the public has been treated for several days to a classic example of indictment by newspaper headlines. Each day brings a new sensational charge against Commercial Solvents, and each succeeding edition of the press reveals that the charge was false. Why has this company been selected as the official scapegoat in this case? The answer is easy. It has been a time-honored custom of our friends across the aisle to seek to arouse proper mistrust and hatred of legitimate business whenever they find themselves in political hot water. I think it is time that this assault upon the character and reputation of innocent men was stopped. After 3 weeks of lurid headlines, what have we got? Sworn evidence that the officials of Commercial Solvents Corp. were not even remotely connected with the scandals which brought Estes into the toils of the law. Sworn evidence that Commercial Solvents had only normal commercial relations with Mr. Estes and nothing else."

Wheeler emphasized that Commercial Solvents did no wrong in the Estes case and certainly had nothing to hide.

ANTIETAM DAY

Mr. KYL. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. MATHIAS] may extend his remarks at this point in the body of the RECORD.

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

There was no objection.

Mr. MATHIAS. Mr. Speaker, 100 years ago next month, the Army of the Potomac, under the command of Gen. George B. McClellan, and the Army of Northern Virginia, under the command of Gen. Robert E. Lee, were locked in bloody combat in western Maryland.

The campaign was climaxed in the Battle of Antietam on September 17, 1862, when the Confederate forces were turned back from an attempt to penetrate northern territory. The battle was decisive in that it forestalled foreign recognition of the Confederate Government and gave President Abraham Lincoln an opportunity to issue his preliminary announcement of the Emancipation Proclamation.

September 17, 1962, has been designated as "Antietam Day" by an act of Congress. It will be commemorated by centennial ceremonies in Washington and Frederick Counties, Md., from August 31 through September 17.

It is my pleasure to extend an invitation from the Antietam South Mountain Civil War Centennial Association to the Members of Congress. The association will be writing to each of you. In the meantime, on behalf of the president, Dr. Walter H. Shealy, and the executive vice president, C. Lease Bussard, I invite you to attend our centennial commemoration at the Antietam National Battlefield site as special guests on Sunday, September 16. This day has been set aside as "Congress of the United States Day." It will feature an enactment of the Battle of Antietam by reactivated units from 35 States, including some 2,500 men.

By reenacting these events of 100 years ago, it is hoped to develop a new appreciation for our Nation's past and to reaffirm that "these dead shall not have died in vain." We hope you will join us in this centennial commemoration.

LEGISLATIVE PROGRAM

Mr. KYL. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes to ask the distinguished majority leader for some enlightenment concerning the legislative program immediately ahead.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

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

Mr. KYL. I yield to the gentleman.

Mr. ALBERT. Mr. Speaker, this completes the legislative program for the week. It is my intention upon the announcement of the program for next week to ask unanimous consent to go over until Monday.

The only legislative business for next week is the Consent Calendar and the Private Calendar.

Mr. Speaker, I ask unanimous consent in view of that fact that it may be in order to call the Private Calendar on

Monday immediately following the call of the Consent Calendar.

The SPEAKER pro tempore (Mr. PRICE). Without objection, it is so ordered.

There was no objection.

Mr. ALBERT. Mr. Speaker, the legislative business for next week, therefore, will be the call of the Consent Calendar and the Private Calendar on Monday.

No legislative business during the remainder of the week is contemplated.

This, of course, is subject to the usual reservation that any further program may be announced or that conference reports may be brought up. I do not anticipate at this time that there will be any important conference reports called up during next week. It is our hope that we may adjourn over from Monday until Thursday and from Thursday to the following Monday.

The legislative program for the following week will be announced on Thursday next.

AUTHORIZING CLERK OF THE HOUSE TO RECEIVE MESSAGES FROM THE SENATE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday next, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

Mr. GROSS. Mr. Speaker, reserving the right to object, and I shall not object because I know of no way by which an ordinary, common garden variety of Member of the House of Representatives can compel the scheduling of legislation, but I wonder how it is ever expected that this session of the Congress is to be ended if we are going to go into weeklong recesses and then into long weekends following, probably over Labor Day? I wonder how in the world this session of the Congress is ever going to end? I wonder if the gentleman can enlighten me as to when he anticipates this session will end sine die so that some of us who live a distance from home can make plans to go home?

Mr. ALBERT. The gentleman knows, of course, that no one at this time, as far as I know, has the answer to his first question as to when the Congress might adjourn.

We do not have ready any important business for scheduling next week, and in order to accommodate Members, particularly those who have children who want to have a little time with their families before the beginning of the next school term, we have decided to make this arrangement, and it is in that spirit at the request of numerous Members that this arrangement has been made.

Mr. GROSS. Could I have the assurance of the distinguished majority leader that on November 6 next he will ask that there be no rollcalls so that we can be absent and vote without there being a rollcall?

Mr. ALBERT. If the House is still in session, I feel that I would be able to make that request.

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

There was no objection.

ADJOURNMENT OVER

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

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

There was no objection.

INCREASED PAY BILL

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Montana [Mr. OLSEN] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. OLSEN. Mr. Speaker, H.R. 9531, the postal and Federal employee pay bill, introduced by the distinguished gentleman from Louisiana [Mr. MORRISON] and reported out favorably by the House Committee on Post Office and Civil Service, will soon be presented to the Rules Committee. It is sincerely hoped that it will be granted a rule and that the Members of this body will be able to vote on it.

Since there has been a great deal of loose talk about this legislation, both in the press and in the corridors of Capitol Hill, I feel it is necessary to set the record straight about its virtues and advantages.

The Morrison pay bill, H.R. 9531, was reported out of the committee by a vote of 18 to 3. I might add that, if the bill had been restricted solely to postal employees, I feel confident that the vote would have been unanimous. The sentiment in favor of pay raises for other Federal employees, if I am any judge of the congressional temper, is not nearly as strong as is the sentiment in favor of a pay raise for postal employees.

In the second place, the Morrison bill, H.R. 9531—despite the allegations that have been made in certain quarters outside the Congress—is essentially an administration bill. It gives the President practically everything he asked for in his original pay reform proposal.

In fact, I cannot see how it could be otherwise. Ever since January 20, 1961, the gentleman from Louisiana [Mr. MORRISON] has compiled an irreproachable record of support for the program of President Kennedy. Is it likely that he would reverse his position drastically and dramatically and try to thwart and frustrate the administration on a crucial bill such as this? I might add that I have also been a consistent and enthusiastic supporter of the ideals and purposes of the New Frontier. If I believed that H.R. 9531 were an anti-administration measure, I doubt that I would be supporting it. But I am supporting H.R. 9531 wholeheartedly and will continue to do so until it is enacted into law.

The Morrison bill agrees with the administration's program for Federal pay in approximately 90 percent of its proposals. It differs only on a few points which the vast majority of the committee members felt would—if adopted—do serious harm to the civil service structure and cause widespread and irreparable harm to the morale and efficiency of the postal service.

For instance, Mr. Speaker, speaking for myself, I could not possibly go along with a three-phase program of pay increases, especially for the lower-paid echelons of the postal and classified service, where the money is needed as quickly as possible. We cannot offer employees who are already underpaid a stop-and-go, delayed-buck, split-level pay raise that will keep them impoverished for 3 years before they can receive what the Government feels are adequate wages.

By the same token, I could never agree to a postponement of the effective date until January 1, 1963.

The administration's pay proposal was based on a study made during 1960–61. This study becomes more and more out of date with each passing month. We should make this pay increase effective while the data on which it is based are still reasonably applicable to existing economic conditions.

I could, under no circumstances, vote for a program which would give an increase of only $90 a year to postal employees in step 7 of level 1, and only $120 a year to those in step 7 of level 4, in the first phase; but which would give an increase of $2,680 in the first phase of PFS–20, and a total of $6,430 covering all three phases of level 20.

By the same token, I could not possibly support a measure that would give a most inadequate increase of $120 a year for classified employees in GS–1 and 2 and would then proceed to raise the salaries of classified employees in grade 17 by a total of $6,360.

As a matter of fact, Mr. Speaker, the administration's proposal, as it was first written, would have forced thousands upon thousands of postal employees to take a backward step rather than a forward step. It was highly discriminatory against one-third of the rural letter carriers, for instance. If accepted, the administration's recommendation against any raise at all for these rural letter carriers would have caused real hardship among the members of this highly respected and essential branch of the postal service.

There was also an unacceptable provision in the administration's proposal which would have affected adversely all postal employees in level 4. This, as you know, is the level at which almost all letter carriers and postal clerks are paid. Under existing law, these employees get an automatic increase of $160 a year. The administration's proposal, in its original form, would have reduced this increase by $10 a year. The Morrison bill, H.R. 9531, restores this $10 to the automatic increase.

A postal and Federal employee pay bill, Mr. Speaker, should be consistent with the economic needs of all whom it affects.

The original proposal of the administration did not achieve this. The alterations in the proposal, as embodied in the Morrison bill, H.R. 9531, do achieve this.

The original proposal would have given tremendous pay increases to those who need them the least—the employees in the top levels of the administrative structure—and would have denied a decent increase to those who are most desperately in need of economic help. The Morrison bill—while not interfering with the administration's proposals for the top-level employees, does offer a higher degree of economic justice for those in the lowest levels.

It seems to me indefensible, Mr. Speaker, to offer big pay increases to those at the civil service summit because they are so few in number—and to deny even a reasonable pay increase to those who labor in the crevices and valleys of the civil service because they are so many.

The yardstick in building a program of pay reform should not be the number of employees affected, it should be the degree of justice involved. The Morrison bill, H.R. 9531, will achieve justice to a far greater degree, and will distribute it with more equity among far more employees than the original administration proposal would have done.

That is why I supported it so wholeheartedly in the committee—and, while I would not presume to speak for my colleagues, I feel that this is why they supported it, tooo.

And, Mr. Speaker, I can assure you that—at least in the First District of Montana—the people feel the same way. I know that my own constituents support my position on Federal pay by an overwhelming majority.

I recently sent out 90,000 questionnaires throughout my constituency. I received a return of 12 percent, which is a little above the average in such matters. One of the 10 questions I asked was this:

Do you favor adjustment of the basic salaries of Federal employees so they will be comparable to those paid in private industry?

The response to this question was as follows:

	Percent
Yes	66
No	25
No opinion	9

I think you will agree, Mr. Speaker, that any Member of this House would feel both reassured and relieved if such an overwhelming majority of his constituents approved of, and supported, every position he took on every public issue. I know I would.

And I feel confident that the opinion of the good people of the First District of Montana is not very different from that of any other district in the United States. I am certain in my mind that the people of the United States do not want their Federal employees to be reduced to the position of second-class citizens, unable to compete economically with other Americans in civilian jobs comparable to theirs in difficulty and responsibility. The original administration proposal would have perpetrated this unjust state of affairs. The alterations in this proposal, as embodied in the Morrison bill, H.R. 9531, would guarantee to our letter carriers, our postal clerks, our rural letter carriers and all other postal and Federal employees first-class citizenship with a modicum of economic equality with their civilian counterparts.

I have just one more thought to add, Mr. Speaker. Even while the committee was deliberating on the question of postal pay, vague and unidentified rumors were heard to the effect that the President would veto the Morrison bill if it were reported out and passed by the Congress. In the newspapers these rumors were attributed to authoritative sources and administration spokesmen. Those who are supposed to have originated the rumors were never identified. They remained faceless, nameless—but articulate—abstractions.

Now that the Morrison bill has been reported out favorably by the committee, these chimerical characters have become even more articulate. They are reported almost every day as predicting that the President will veto any bill other than the one containing his own pay reform proposal verbatim.

As most Members of this body know, I have had less than 2 years' experience in the Congress, so I will not venture to speak with authority on the traditions surrounding the discussion and passage of legislation here. However, I did have the privilege of serving 8 years as attorney general of the State of Montana, and I can say, with assurance, that it was unthinkable for any so-called spokesmen of the State administration to guarantee or predict a gubernatorial veto of pending legislation.

Certainly, any such spokesmen would be in high disfavor with both the executive branch and the legislative branch of our State government. The Governor would deeply resent such presumption; the Legislature would deeply resent such a blatant attempt to interfere with its constitutional powers.

I believe it is presumptuous in the extreme for these shadowy creatures to boast that they can read the President's mind in advance and are therefore qualified to speak for him. Nobody should speak for the President of the United States in these matters. The President should speak for himself.

These persistent rumors are causing unnecessary concern among postal and Federal employees throughout the country. The postal and Federal employees hear the same reports we do, and they are beginning to believe that the President has turned against them and is now their enemy.

They remember the unexpected veto of the little longevity bill last year—S. 1459—and they hear that the President will veto any bill that will grant them anything more than a token pay increase—and they start to wonder whether the New Frontier is against the so-called little man on the Government payroll.

Mr. Speaker, you know and I know that this is not true, but there is no way that we can reassure our constituents unless these insidious rumors are stopped.

And, above all, Mr. Speaker, there should be no more of this inaccurate gossip about the Morrison bill, H.R. 9531, being an antiadministration bill. It is a proadministration bill written by a proadministration Member of the Congress. It strengthens and extends the principles of the original pay reform program which the administration proposed and it eliminates the injustices which would have been perpetrated if the pay reform bill had been enacted into law.

I shall not imitate the so-called administration spokesmen by presuming to read the President's mind in advance, but personally I cannot conceive of his disapproving legislation that embodies 90 percent of his original proposal, and adds nothing but an increased measure of justice to its proposals.

And, I might add, it is not—in my opinion—our function to consider whether or not legislation might be vetoed after we pass it. It is our function to hew out and fashion the bills we approve of in the form we think the best, letting the chips fall where they may. We should do this without paying any attention to the whispered rumors of a veto.

It should then be the President's prerogative to sign or veto the bill as he sees fit.

Each branch of the Government should stick to its job, and this attempt of one branch to interfere with the functions of the other should be stopped immediately.

FREEING FEDERAL-AID HIGHWAY FUNDS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. FALLON] may extend his remarks at this point in the RECORD, revise and extend his remarks, and include a table.

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

There was no objection.

Mr. FALLON. Mr. Speaker, the Secretary of Commerce has announced the release of $1.9 billion of Federal-aid highway funds to the States. The sums released are those which have previously been apportioned to the States, in accordance with law, but which have been frozen administratively for the purpose of preventing overdrafts on the highway trust fund.

This freezing of funds, known officially as reimbursement scheduling, has held back the highway program in a number of States. It has been a matter of deep concern to me, and I have expressed the hope, on numerous occasions, that means would be found to free these frozen funds.

With this action, the situation is substantially improved, and I am, of course, much gratified.

The unobligated balances of apportioned funds which are now available to the States for obligation total a little more than $3 billion.

I hope that we will now see an acceleration of the roadbuilding program in

many States. As Secretary Hodges stated:

The rising volume of motor vehicle traffic, particularly in our crowded urban areas, requires that we move ahead with our highway program to the full extent finances will permit.

It is not necessary to look very far afield to realize that the availability of Federal-aid funds is not the only factor essential to highway progress.

Here in the District of Columbia, we have seen the highway program almost brought to a halt while conflicting opinions are aired and the plans produced by careful studies are set aside.

I know of no place where the highway program is so vigorously and so persistently attacked as it is in the District of Columbia. But other jurisdictions also have their problems—problems in financing, problems in planning and engineering, problems in the acquisition of right-of-way. All things considered, we are making good progress in the national highway program, but the obstacles are serious, and progress is not as good as it could be, or should be.

So I hope that the action taken by Secretary Hodges will give the States renewed encouragement to tackle their highway problems with determination and vigor, and that we will make faster progress in eliminating urban congestion, in reducing traffic accidents and traffic fatalities, and in securing the great economic dividends which result from improved highway facilities.

The following table shows the apportionments to the several States:

Federal-aid highway reimbursable obligation schedule, additional release for 1st quarter of fiscal year 1963

[Thousands of dollars]

	Federal funds
Alabama	58,211
Alaska	10,368
Arizona	32,500
Arkansas	39,540
California	98,302
Colorado	40,069
Connecticut	26,549
Delaware	10,733
Florida	12,412
Georgia	67,641
Hawaii	17,007
Idaho	21,820
Illinois	48,276
Indiana	86,774
Iowa	18,107
Kansas	28,554
Kentucky	41,336
Louisiana	35,262
Maine	18,598
Maryland	50,227
Massachusetts	25,664
Michigan	68,611
Minnesota	55,862
Mississippi	37,886
Missouri	42,981
Montana	35,170
Nebraska	23,830
Nevada	20,910
New Hampshire	6,199
New Jersey	79,224
New Mexico	13,277
New York	64,086
North Carolina	40,695
North Dakota	14,419
Ohio	(1)
Oklahoma	38,212
Oregon	11,822
Pennsylvania	149,149
Rhode Island	12,830
South Carolina	21,229

Federal-aid highway reimbursable obligation schedule, additional release for 1st quarter of fiscal year 1963—Continued

[Thousands of dollars]

	Federal funds
South Dakota	22,055
Tennessee	55,940
Texas	91,558
Utah	28,905
Vermont	16,776
Virginia	80,420
Washington	33,624
West Virginia	41,991
Wisconsin	32,926
Wyoming	20,469
District of Columbia	38,351
Puerto Rico	6,747

[1] Previous 1st quarter release covered balance of apportioned funds.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SISK for August 17 through August 27 on account of business.

Mr. ROBERTS of Alabama (at the request of Mr. TUCK) for August 15 and 16, 1962, on account of illness.

Mr. LANE (at the request of Mr. KIRWAN) for the balance of the week on account of death in the family.

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. ROUDEBUSH, for 20 minutes, today.

Mr. SCHWENGEL (at the request of Mr. KYL), for 1 hour, on August 20.

Mr. LINDSAY (at the request of Mr. KYL), for 30 minutes, on August 20.

Mr. SCHWENGEL (at the request of Mr. KYL), for 1 hour, on August 23.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. ASPINALL to extend his remarks in general debate this afternoon on H.R. 12900 and include principles and criteria approved by Secretary Udall and the notice published in the Federal Register at pages 6850 and 6851 on July 19, 1962.

Mr. FENTON.

Mr. ASHBROOK, the remarks he made in Committee of the Whole today and to include extraneous matter.

Mr. RIVERS of South Carolina and to include an address by Speaker McCORMACK.

Mr. WEAVER in two instances.

(The following Members (at the request of Mr. KYL) and to include extraneous matter:)

Mr. VAN ZANDT in two instances.

Mr. MACGREGOR.

Mr. WILSON of Indiana in two instances.

(The following Members (at the request of Mr. ALBERT) and to include extraneous matter:)

Mr. TOLL.

Mr. ROSENTHAL.

Mr. MACDONALD.

Mr. BLATNIK.

Mr. POWELL.

Mr. BAILEY.

Mr. FARBSTEIN.

Mr. STEPHENS.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3491. An act to amend the Atomic Energy Act of 1954, as amended, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on August 15, 1962, present to the President, for his approval, bills of the House of the following titles:

H.R. 4449. An act to amend paragraph 1774 of the Tariff Act of 1930 with respect to the importation of certain articles for religious purposes;

H.R. 10852. An act to continue for a temporary period the existing suspension of duties on certain classifications of spun silk yarn, and to provide for the free entry of a towing carriage for the use of the Virginia Polytechnic Institute; and

H.R. 10928. An act to transfer casein or lactarene to the free list of the Tariff Act of 1930.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 7 minutes p.m.), under its previous order, the House adjourned until Monday, August 20, 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:

2427. A letter from the Comptroller General of the United States, transmitting a report on followup reviews at selected local housing authorities (LHA's) to ascertain whether the Public Housing Administration (PHA) has been successful in obtaining action on matters previously reported by the Comptroller General; to the Committee on Banking and Currency.

2428. A letter from the Chairman, U.S. Tariff Commission, transmitting a report of the Tariff Commission's investigation concerning cobalt which the Commission made pursuant to Senate Resolution 206, 87th Congress; to the Committee on Ways and Means.

2429. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated April 2, 1962, submitting a report, together with accompanying papers and illustrations, on a review of the Delaware River and tributaries, requested by a resolution of the Committee on Public Works, U.S. Senate, adopted April 13, 1950, and other resolutions of that committee and of the Committee on Public Works, House of Representatives, listed in the report (H. Doc. No. 522); to the Committee on Public Works and ordered to be printed with illustrations.

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. ROGERS of Texas: Committee on Interior and Insular Affairs. S. 1023. An act to amend the act of August 20, 1954 (68 Stat. 752), in order to provide for the construction, operation, and maintenance of additional features of the Talent division of the Rogue River Basin reclamation project, Oregon; without amendment (Rept. No. 2236). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. S. 1060. An act to authorize the Secretary of Interior to construct, operate, and maintain the Oroville-Tonasket unit of the Okanogan-Similkameen division, Chief Joseph Dam project, Washington, and for other purposes; with an amendment (Rept. No. 2237). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. H.R. 7811. A bill to amend the act authorizing the Crooked River Federal reclamation project to provide for the irrigation of additional lands; with amendment (Rept. No. 2238). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 5260. A bill to repeal the 3 cents per pound processing tax on coconut oil, and for other purposes; with amendment (Rept. No. 2239). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 12820. A bill to validate the coverage of certain State and local employees in the State of Arkansas under the agreement entered into by such State pursuant to section 218 of the Social Security Act; without amendment (Rept. No. 2240). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Texas: Committee on Interstate and Foreign Commerce. S. 1606. An act to authorize the Federal Power Commission to exempt small hydroelectric projects from certain of the licensing provisions of the Federal Power Act; without amendment (Rept. No. 2241). Referred to the Committee of the Whole House on the State of the Union.

Mr. SISK: Committee on Rules. House Resolution 763. Resolution for consideration of H.R. 12333, a bill to amend title 38, United States Code, to permit, for 1 year, the granting of national service life insurance to certain veterans heretofore eligible for such insurance; without amendment (Rept. No. 2242). Referred to the House Calendar.

Mr. O'NEILL: Committee on Rules. House Resolution 764. Resolution for consideration of S. 2768, an act to promote the foreign policy of the United States by authorizing the purchase of United Nations bonds and the appropriation of funds therefor; without amendment (Rept. No. 2243). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 765. Resolution for consideration of H.R. 12712, a bill to assist the States to provide additional facilities for research at the State agricultural experiment stations; without amendment (Rept. No. 2244). Referred to the House Calendar.

Mr. MILLS: Committee on Ways and Means. H.R. 5700. A bill to amend the Tariff Act of 1930 to permit contract carriers by motor vehicle to transport bonded merchandise; without amendment (Rept. No. 2245). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. S. 3574. An act to extend the International Wheat Agreement Act of 1949; without amendment (Rept. No. 2246). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 2760. An act for the relief of Yuk-Kan Cheuk; with amendment (Rept. No. 2224). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. S. 3071. An act for the relief of Hidayet Danish Nakashidze; without amendment (Rept. No. 2225). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 1480. A bill for the relief of Mrs. Agnes Geidl; with amendment (Rept. No. 2226). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 1483. A bill for the relief of Priscillo Jose Sisson; with amendment (Rept. No. 2227). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 2675. A bill for the relief of Santa Giamalva; with amendment (Rept. No. 2228). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 2977. A bill for the relief of Kyoko Stanton; without amendment (Rept. No. 2229). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 2978. A bill for the relief of Rosa and Rita Quattrocchi; with amendment (Rept. No. 2230). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 7123. A bill for the relief of Mrs. Takako Coughlin; with amendment (Rept. No. 2231). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 7438. A bill for the relief of Anna Caporossi Crisconi; with amendment (Rept. No. 2232). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 8483. A bill for the relief of Arminda P. Viseu; with amendment (Rept. No. 2233). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 8855. A bill for the relief of Marie Silva Arruda; with amendment (Rept. No. 2234). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 10316. A bill for the relief of Leopoldo Rocha Canas and Teofilo Caoile Servito; without amendment (Rept. No. 2235). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Illinois:

H.R. 12916. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from the withholding tax for college students holding certain part-time, temporary, or intermittent jobs, to the Committee on Ways and Means.

By Mr. CURTIN:

H.R. 12917. A bill to prohibit the granting of military decorations to civil or military officers who are employees of foreign governments except with the express consent of the Congress; to the Committee on Armed Services.

By Mr. DOMINICK:

H.R. 12918. A bill to provide for alternate representation of secretarial officers on the Migratory Bird Conservation Commission, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. FINDLEY:

H.R. 12919. A bill to amend section 305 of Public Law 480, 83d Congress, in regard to the labeling of surplus food donated to needy people abroad by the people of the United States of America; to the Committee on Agriculture.

By Mr. HARSHA:

H.R. 12920. A bill to prohibit U.S. contributions to the United Nations for the purpose of relieving Communist countries of their obligations to pay their regular or special assessments for the expenses of that organization; to the Committee on Foreign Affairs.

By Mr. O'KONSKI:

H.R. 12921. A bill to amend section 303(c) of the Career Compensation Act of 1949 to provide for payment in full for the costs of commercial transportation of certain trailers or mobile dwellings owned by members of the Armed Forces; to the Committee on Armed Services.

By Mr. ROGERS of Texas:

H.R. 12922. A bill to amend the Internal Revenue Code of 1954 with respect to the treatment of a dependent's income derived under State community property laws for purposes of determining the taxpayer's entitlement to a personal exemption for such dependent; to the Committee on Ways and Means.

By Mr. VINSON:

H.R. 12923. A bill to amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes; to the Committee on Armed Services.

By Mr. BURKE of Massachusetts:

H.R. 12924. A bill to authorize the acquisition of lands for addition to the Adams National Historic Site; to the Committee on Interior and Insular Affairs.

By Mr. HOLIFIELD:

H.R. 12925. A bill to create or charter a corporation by act of Congress; to the Committee on the Judiciary.

By Mr. KASTENMEIER:

H.R. 12926. A bill to provide for the establishment of a permanent program of additional unemployment compensation, to provide for equalization grants, to extend coverage of the unemployment compensation program, to establish Federal requirements with respect to the weekly benefit amount and limit the tax credits available to employers in a State which does not meet such requirements, to establish a Federal requirement prohibiting States from denying compensation to workers undergoing occupational training or retraining and deny tax credits to employers in a State which does not meet such requirement, to increase the wage base for the Federal unemployment tax, to increase the rate of the Federal unemployment tax, to establish a Federal additional compensation and equalization account in the unemployment trust fund, and for other purposes; to the Committee on Ways and Means.

By Mr. MACDONALD:

H.R. 12927. A bill to amend the act of June 12, 1960, for the correction of inequi-

ties in the construction of fishing vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 12928. A bill to authorize the Secretary of the Interior to construct two modern stern ramp trawlers to be used for research, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. RIVERS of Alaska:

H.R. 12929. A bill to establish in the Department of the Interior a Gold Procurement and Sales Agency, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WHALLEY:

H.R. 12930. A bill to provide that primary elections and runoff primary elections for nomination of candidates for the House of Representatives shall be held on the same day throughout the United States; to the Committee on House Administration.

By Mr. WHARTON:

H.R. 12931. A bill to amend subsection 11(D) of section 302(a) of title 42 of the United States Code, with respect to determining eligibility for medical assistance for the aged; to the Committee on Ways and Means.

By Mr. DOWDY:

H.J. Res. 854. Joint resolution to amend the act of April 29, 1942, establishing the District of Columbia Recreation Board, to provide for the restoration and use of the Belasco Theater on Lafayette Square in the Nation's Capital as a municipal theater as proposed by President Kennedy in 1960, to provide that such theater shall be used solely as a children's theater and art center so as to provide cultural fare superior to many of the movies and television programs seen by millions of children today, and to provide that such theater shall be known as the National Children's Theater and Art Center; to the Committee on the District of Columbia.

By Mr. FARBSTEIN:

H.J. Res. 855. Joint resolution designating the fourth Sunday in September of each year as "Interfaith Day"; to the Committee on the Judiciary.

By Mr. JAMES C. DAVIS:

H.J. Res. 856. Joint resolution to designate the harbor tug operated by the Metropolitan Police Force of the District of Columbia as the *"Chief Robert V. Murray"*; to the Committee on the District of Columbia.

By Mr. MACGREGOR:

H.J. Res. 857. Joint resolution to amend the Federal Trade Commission Act, to promote quality and price stabilization, to define and restrain certain unfair methods of distribution and to confirm, define, and equalize the rights of producers and resellers in the distribution of goods identified by distinguishing brands, names, or trademarks, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WIDNALL:

H.J. Res. 858. Joint resolution to amend the Mutual Educational and Cultural Exchange Act of 1961 to limit the rate of compensation for performing artists and comedians participating in educational and cultural exchange programs to rates of pay of members of the President's Cabinet, generals and admirals of the Armed Forces, judges of the U.S. courts, and the Vice President of the United States; to the Committee on Foreign Affairs.

By Mr. ROSENTHAL:

H. Res. 767. Resolution to conduct an investigation and study of arms control and disarmament; 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. BARRY:

H.R. 12932. A bill for the relief of Bozena Gutowska; to the Committee on the Judiciary.

By Mr. BOLAND:

H.R. 12933. A bill for the relief of Dr. Norman Augusto DeCastro; to the Committee on the Judiciary.

By Mrs. BOLTON:

H.R. 12934. A bill for the relief of Marvin D. Nells; to the Committee on the Judiciary.

By Mr. DELANEY:

H.R. 12935. A bill for the relief of Arturo Marciano; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 12936. A bill for relief of Kenneth E. Foussé and others; to the Committee on the Judiciary.

By Mr. GEORGE P. MILLER:

H.R. 12937. A bill for the relief of Chong Lam; to the Committee on the Judiciary.

By Mr. PUCINSKI:

H.R. 12938. A bill for the relief of Peter Chrisomallis; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

402. The SPEAKER presented a petition of Mike Masaoka, Washington representative, Japanese American Citizens League, Washington, D.C., relative to the so-called Japanese-American Evacuation Claims Act of 1948 and subsequent amendments; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

C. D. Kaier Co. of Mahanoy City, Pa., Receives the American Legion National Employ the Older Worker Award

EXTENSION OF REMARKS

OF

HON. IVOR D. FENTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 16, 1962

Mr. FENTON. Mr. Speaker, I am very happy and proud to announce to the House that the C. D. Kaier Co. of my home community of Mahanoy City, Pa., will receive tomorrow the American Legion National Employ the Older Worker Award.

On Monday, April 30 last, Mahanoy City Post 74, American Legion, presented its Employers Community Service Award to the C. D. Kaier Co. on the occasion of the company's 100th birthday. This occasion was fittingly observed and celebrated with a wonderful centennial program and dinner at the Legion Home in Mahanoy City with the presentation being made by the Honorable George F. Bruno, Pennsylvania department commander, the American Legion.

Accepting the award was John B. Lieberman, a grandson of the founder of the company, who tomorrow will also accept the American Legion national award at headquarters in Washington. Mr. Lieberman is the present energetic and progressive president of the C. D. Kaier Co. and is carrying on and expanding the progressive employment policies instituted by his civic-minded grandfather, the late Charles D. Kaier.

The late Charles D. Kaier established the C. D. Kaier Co. at Mahanoy City in 1862 when it opened a plant for bottling ale and porter. In 1891 he erected a brewery which became known far and wide for its fine products. It was the beginning, the birth, the initial step in the long stairway of employment, economic growth, and community development through Mr. Kaier and his noted successors.

Kaier's has survived a Civil War, a Spanish-American War, two World Wars, and a Korean conflict. It lived, and helped many others live, through a depression and many recessions. With honors, it has passed the test of time. It is 1 year older than its own hometown, yet it is as new, as fresh, and as challenging as the advancing age we live in today.

Proper growth and development leads to a full maturity, and the Kaier brewing firm story is one of real maturity and real success.

The natural business ability of the late Charles D. Kaier was reflected also in the leadership of the brewery down through the years, by such executive personnel as Lloyd W. Fahler, the present board chairman, Margaret C. Kaier, Mrs. Mary Kaier Fahler, Charles A. Domson, and the present president and grandson of the founder, John B. Lieberman.

Mr. Speaker, tomorrow's recognition of the C. D. Kaier Co. by the American Legion is another tribute not only to outstanding business principles of the company throughout 100 years of progress, but to the company's civic-minded policies in employing our older citizens.

In recommending the C. D. Kaier Co. for national honors to the National Employment Committee of the American Legion, the department of Pennsylvania of the American Legion through its employment chairman, Mr. Joseph A. Halka, stated in part:

> This employer, who is currently celebrating its 100th anniversary, was cited for its outstanding voluntary employment policy based upon full consideration of skills and capabilities of older veterans.
>
> Ninety percent of the company's work force are veterans. Seventy-four percent of the work force are veterans in the older worker program classification (past 45 years of age).
>
> This company has consistently throughout the years given support in promoting and advocating acceptance of the Legion's basic employment policies and programs.

C. D. Kaier Co. is a community spirited and centered employer who gives freely of its time and money to all community-sponsored projects for welfare and betterment.

Mr. Speaker, I want to congratulate the American Legion in giving this recognition to the C. D. Kaier Co. of my home community. I know that all the Members of the House join me in extending congratulations and best wishes to the C. D. Kaier Co. upon the occasion of its receiving the American Legion National Employ the Older Worker Award.

Speaker McCormack Personally Conveys to General MacArthur Gratitude of the Congress and the American People

EXTENSION OF REMARKS

OF

HON. L. MENDEL RIVERS

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 16, 1962

Mr. RIVERS of South Carolina. Mr. Speaker, on the occasion of the honoring of General MacArthur today in the House of Representatives on the House side of the Capitol, our distinguished Speaker tendered this great American the thanks of the Congress and the American people for his everlasting devotion to duty, God, and country.

In words which came from the heart, our beloved Speaker paid an incomparable tribute to this magnificent citizen of America and of the world. In reviewing some of the highlights of his unparalleled military life, the Speaker painted innumerable acts of devotion, dedication, and service which General MacArthur has made for his beloved Nation. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include therewith the tribute of Speaker McCORMACK to General MacArthur:

A TRIBUTE TO GENERAL OF THE ARMY DOUGLAS MACARTHUR

(By Hon. JOHN W. McCORMACK, Speaker of the U.S. House of Representatives, August 16, 1962)

My remarks cannot express our deep feelings on this occasion; for this tribute of the Congress of the United States to General of the Army Douglas MacArthur comes not from me but from a grateful Nation. This great patriot is molded of those beliefs which most deeply penetrate the American historic experience; and as he cherishes those beliefs, so he has fought for them, and helped to preserve them for us all. Duty, honor, country—thus he eloquently expressed the essence of his beliefs in his farewell address to the corps of cadets at West Point this last May. By these principles he lives; by these principles he became an inspired military leader whose name shall always occupy prominent pages in American history.

He has served his country in three great armed conflicts in this century. Douglas MacArthur was chief of staff of the Rainbow Division that fought in the First World War. He it was who commanded the valiant defense of Bataan; he it was who led the final stand at Corregidor until ordered by President Roosevelt to Australia—that brave stand that electrified and rallied a nation shocked and reeling through one of its most tragic hours. For history had a place for Douglas MacArthur that his cleavage to principle and selfless dedication to his Nation's service had prepared him for. And—even as he promised to return to the Philippines to lift the crushing occupation from that land that he had grown to love and respect, so he fulfilled his pledge 3 years later as supreme commander of the South Pacific. Douglas MacArthur commanded the American forces which swept the Pacific island chain of the offending enemy and pursued him to his homeland where he was finally brought to bay in August 1945. President Truman appointed General MacArthur as supreme allied commander, and it was fitting that he received the Japanese surrender in Tokyo Harbor on the 14th of August.

The defense of his country's honor to which duty called him was threatened again by the Communist invasion of South Korea, and again he responded. The brilliantly conceived and executed Inchon landings are a classic example of this man's inspired leadership. At the time of his relief in April 1951, General MacArthur was commander of the United Nations Command in the Far East, commander in chief of the Far East Command and supreme commander for the allied forces in Japan.

It is difficult to do justice here to this man's unparalleled military accomplishments, but the names of the places at which he has steadfastly served his country ring out in history: the Marne, Meuse-Argonne, St. Mihiel and Sedan; Bataan, Corregidor, New Guinea, Leyte, Lingayen Gulf, Manila and Borneo; Pusan and Inchon. Let the histories of our age tell of these places and of his deeds there; but his deeds and his name are inscribed far deeper in the hearts of grateful Americans than books have the power to do. These great military events, under his brave leadership, are what make General MacArthur a man of history. There are few men whose place in history is assured during one's lifetime, and General MacArthur is one of that select few. For his whole life has been dedicated to preserving and strengthening our beloved country by retaining a government of law, not only for Americans of this day and age but for generations to come.

No, General MacArthur, to explain your place in the history of this country is not to explain your place in its heart. Your place in the heart of this country must be explained by your incarnation of so many fundamental American ideals. You are the kind of a man to whom a father and mother can proudly point when asked—what does it mean to be an American?

What could words of mine add to the greatest of honors that you already hold? You are part of the living fabric of this country's historic greatness. This is an honor priceless beyond words. But may I quote from your address to the cadets of West Point, words which you meant to describe the American fighting man, but which I feel apply especially to you.

"Yours is the profession of arms, the will to win, the sure knowledge that in war there is no substitute for victory, that if you lose, the Nation will be destroyed, that the very obsession of your public service must be duty, honor, country.

"Others will debate the controversial issues, national and international, which divide men's minds. But serene, calm, aloof, you stand as the Nation's war guardian, as its lifeguard from the raging tides of international conflict, as its gladiator in the arena of battle. For a century and a half you have defended, guarded, and protected its hallowed traditions of liberty and freedom, of right and justice."

And may I close, General MacArthur, in making the concise, but all-embracing observation, that you make all of us proud we are fellow Americans. For your lifetime of dedicated service to our beloved country is a symbol and an inspiration for all others to follow.

The Two Grasshoppers: Russia and the United States

EXTENSION OF REMARKS

OF

HON. LEONARD FARBSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 16, 1962

Mr. FARBSTEIN. Mr. Speaker, recently I received a letter from a 9-year-old constituent, Jonathan Rolarcheck, who presented an allegory likening the United States and Russia to two grasshoppers who in mutual fear maintained a constant distrusting guard against each other. To the mind of this 9-year-old, readiness to protect or strike back in the event of attack is a waste. I wonder how many more of the future possible leaders of our country think in a similar vein.

For the interest of my colleagues, I submit the letter sent to me by young Master Rolarcheck and my reply which I hope will teach him the worth of preparedness:

LETTER FROM JONATHAN ROLARCHECK

DEAR SIR: I think that the fear of war is a fear like the fear of the two grasshoppers. The two grasshoppers is a story where two grasshoppers met in a field. They both were afraid of the other one attacking him. So they always kept their claws up ready for an attack and after awhile it wore away. Just think of say Russia and the United States as the two grasshoppers and how it will wear away is how every year citizens of our country pay money to do nothing. Nothing is making guns. See how the two grasshoppers just stayed there ready with all the power they had and did nothing. Now get sensible and think of what all this money can do if we use it for something. It's better schools, hospitals, housing projects, and many, many other things that are useful for a change. I hope you take this letter into consideration.

Very truly yours,

JONATHAN ROLARCHECK.

P.S.—Please excuse the mistakes as I am only 9 years old.

LETTER FROM CONGRESSMAN LEONARD FARBSTEIN

DEAR JONATHAN: Letters such as yours are among the best rewards a Congressman can receive. Indeed, if I were certain that all American youngsters were as bright, alert, and sensitive as you, I would have few fears of the future.

I want you to know that I am deeply concerned with that future. My fondest dream is that there will be a future for fine young people such as yourself to inherit.

Your story of the two grasshoppers was a delightful allegory—and certainly not without its point. But have you considered, Jonathan, what might have happened to one of the grasshoppers if he had not kept up his claws to protect himself? Without doubt, he would have been destroyed.

U.S. relationships with the Soviet Union are much like those of the two grasshoppers. We simply cannot put down our claws. We must continue to show our strength in the fervent hope that such action will serve to discourage war. If the Russian rulers are convinced of our strength, of our ability to

strike back and defend ourselves, of the sharpness of our claws, they might have second thoughts about striking out in the first place.

That this is so is a tragic waste. The billions of dollars we have spent on armaments—which we hope and pray will never be used—could most certainly have been better spent on schools, hospitals, and more decent housing, as you suggest. But until the Russian leaders show more clearly evidence that they are genuinely interested in peaceful coexistence with us, we will continue to be faced with this sad alternative.

No one likes or wants an arms race, but until the Russian bear realizes that he has nothing to gain from attacking the American eagle—until he understands that the world is big enough for both of them—we must continue to show our strength.

If I have used some big words in replying to your letter, it is only because I was so carried away by the concepts you presented that I forgot you are only 9 years old. Perhaps mother or dad can explain some of them to you.

With kind regards, I am,

Sincerely yours,

LEONARD FARBSTEIN,
Member of Congress.

Diamond Jubilee of Roaring Spring, Pa.

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 16, 1962

Mr. VAN ZANDT. Mr. Speaker, this week the residents of Roaring Spring, Pa., are observing the 75th anniversary of the founding of their borough. On August 13, it was my privilege to attend the Founder's Day program and to deliver the following address:

FOUNDER'S DAY ADDRESS, BY REPRESENTATIVE JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, DELIVERED ON THE OCCASION OF THE DIAMOND JUBILEE OF ROARING SPRING, PA., AS A BOROUGH, AUGUST 13, 1962

It is a pleasure to participate in your diamond jubilee program and to accept the invitation to address you on Founder's Day.

Here in Roaring Spring, local tradition has a way of reflecting the traditions of Pennsylvania itself. Founder's Day, and the diamond jubilee celebration currently in progress, make this visit all the more rewarding. Your pride in local achievement is wholly understandable—and your respect for tradition highly commendable.

It is all too seldom nowadays that the people of a community feel sufficiently in tune with the past to honor their forebears without the necessity of a national holiday.

It would seem that to many people the term "progress" is misinterpreted to mean that they should never look back as if, in looking back, they may somehow lose pace with the march of destiny, as if progress requires that they set their sights on the future—regardless of the past.

This, of course, is not the case. For the future is nothing but a repetition of the past, with the good parts retained, if possible, and the bad parts removed. Only through the study of the past can we clearly discern our future goals and needs.

Without progress, it is certainly true that tradition is wholly meaningless. On the other hand—it is equally true that without tradition—so-called progress becomes less than meaningless—indeed, it becomes a sham, a fraud, and a trip to nowhere in particular.

It is clear, however, that tradition is a vital force in this community. Even the town name, Roaring Spring, reflects a past condition rather than a present one.

The word "roaring" reminds us that at one time the fall of water at the spring could actually be heard a mile away from town.

Later, as a result of efforts to change the course of the spring, several large stones were removed from beneath the falls and the roaring stopped. The dramatic name remains, however, in tribute to a dramatic past.

Situated here, at the southern end of Morrison's Cove, Roaring Spring was from the start a coveted landsite in the minds of all who knew of its existence. Indians populated the area before the white man arrived in the late 1770's and from the fight they put up against the arrival of the newcomers, we can only conclude that they, too, recognized the magnificence of the place.

The first white settlers in the cove fully understood the great agricultural and industrial possibilities offered here.

Among the earliest settlers was Edward Sanders, who bought the mill seat property in 1776. This tract of land is now covered by the borough of Roaring Spring.

Mr. Sanders in turn, sold small tracts to various individuals—particularly to one Daniel Ullery—who bought most of it in the year 1780. No permanent settlement developed in this period, however, and for the time being none but the most intrepid and independent pioneers could be induced to partake of the natural splendors in this area.

Indians were still numerous in the area at that point and there were few white settlers willing or ready to advance into Indian country alone.

There is a record, however, of the use of water power facilities here by one Jacob Neff who operated a grist mill in this district as early as 1777. Mr. Neff had plenty of trouble with the Indians who resented his presence and finally succeeded in driving him out. When the first two Indians appeared, Mr. Neff killed both of them with his musket and hurried off to the nearest fort in search of aid.

When he returned with reinforcements there was evidence that a whole tribe of red men had visited the mill in his absence for the buildings were burned to the ground. So ended the first commercial enterprise in this area. It had served, however, as a harbinger of future commercial undertakings which appeared in great profusion when the community began to develop, full force, during the administration of President James Monroe.

The first real settlement on the site of Roaring Spring started with the coming of George B. Spang in 1821. Mr. Spang operated a grist mill in this locality and his son-in-law, Mr. Farquar, opened the first store in the settlement.

Finally, in 1854, the Government opened a post office in Mr. Farquar's store and gave the town the name of Spang's Mill.

During the Civil War period the Upper Maria Forges—Rodman and McKee—below Spang's Mill were put in operation. This aided the growth of Spang's Mill, for teamsters who hauled ore to the forges from the pits at ore hill stopped in the community and traded at the general store.

The true beginnings of Roaring Spring did not take place, however, until 1863. In that year Daniel Bare and his son, Daniel Mathias Bare, purchased a large part of the old Mill Seat tract. The exact purchase consisted of 90 acres of land, two small log houses, a frame house, and store building, and an old gristmill and sawmill.

In 1864 the Bare family moved to the community to engage in the milling and mercantile business. The history of the town, from that time on, is bound up with the history of its industries and the business activities of the Bare family. The new proprietors of the little village set about immediately to make many changes. The first of these affected the industrial life of the community, for in 1865 the Bare family built the first plant of the papermill.

This new industry was to attract many settlers and for many years the industrial life of the village centered around the production of paper. When the mill burned down in 1866, it was promptly rebuilt and production was soon at an alltime high. Production increased so rapidly in fact, that new additions were made to the plant in 1878 and again in 1912.

The Bare brothers, builders of the Roaring Spring papermill, were leaders in this industry throughout all of Blair County, for in 1880 they built the papermill at Tyrone.

Meanwhile other changes were taking place in the little community of Spang's Mill. Some of the inhabitants of the community had suggested that its name be changed to Baretown in honor of the family which played so vital a role in its industrial life. The honor was declined, however, by Daniel M. Bare, and in 1868, when he became postmaster, Mr. Bare petitioned that the name of the town be changed to Roaring Spring. The request was granted.

Although the papermill continued to prosper, Mr. Bare and his associates recognized the great need for a railroad connecting Roaring Spring with the metropolis of Altoona. Business activities were hindered because the nearest shipping point for the papermill was first at Hollidaysburg and then, a little later, at Newry.

Mr. Bare was interested in building a sister industry to the papermill—the composition or blankbook industry—but he refused to do so prior to the improvement of local transportation facilities.

Finally, in 1871, the Morrison's Cove branch railroad was extended to Roaring Spring after which Mr. Bare began construction of the blankbook factory, which was completed in 1886.

In keeping with the local history of industrial disaster, going back to the destruction of Mr. Neff's gristmill in 1777, the blankbook factory was twice destroyed by flames, in 1887 and 1888. Also in keeping with local tradition, the factory was twice rebuilt and new additions were made.

Since 1900, the growth of the blankbook factory has been rapid, to the point where today it services not only the educational facilities of this country, but also those of Canada, Puerto Rico, Brazil, and England.

While industry has prospered from the start in Roaring Spring, to such an extent as to dominate the history of local development, it cannot be said that the religious, educational, and cultural needs of the population have been forgotten or suffered from neglect. During the course of the town's expansion, from an isolated millsite to the thriving community it is today, religion has been served in a manner befitting the devout nature of the townspeople. The first settlers in the community; namely, Daniel Ullery and the Neff family, were of the Brethren faith.

Many Lutherans moved in with the first large-scale wave of local immigration and by 1857 a Lutheran church was standing, the first such structure in existence in these parts.

The Brethren, Methodist, Church of God, Reformed, and Mennonite faiths soon followed, in force, building churches of their own.

The educational system of the community has grown from the one-room schoolhouse of Spang's Mill, with an enrollment of 75 pupils, to the present large and flourishing grade and high school system of which the

borough is so justly proud. We may note as landmarks in the educational progress of the community the beginning of a 2-year high school course in 1892, the change to a 3-year high school course in 1908, and the adoption of the present 4-year course in 1919.

Other advancements included the introduction of a business and commercial course in 1917, the construction of a gymnasium in 1932, the building of the present high school and the introduction of a vocational agriculture department, and a vocational homemaking department in 1937.

As a consequence of its beautiful scenic surroundings, Roaring Spring began attracting visitors as far back as 1865—when the first local hotel was put into operation. The first hotel originally was known as the Grant Hotel, later as the Barley Hotel.

This, in turn, was followed by construction of the Eldon Inn which has served for years as one of central Pennsylvania's finest hotels.

As of September 1887, the growing community of Roaring Spring, which then comprised about 800 people, was a part of Taylor Township. On October 3, 1887, the community petitioned the local courts for a charter and for the right to organize as an independent borough. Both charter and independence were granted and Roaring Spring emerged as a borough in its own right.

From that time forward the record of progress in this area has equaled that of many communities earlier organized and originally more wealthy. It is, therefore, only fitting that as residents of Roaring Spring you should, on this occasion, hail the history of this community as an example of positive achievement.

The founders of Roaring Spring arrived here originally with little in the way of wealth. But they brought with them some other properties: Hope, diligence, and courage, all of which have seemed to rub off on one generation after another to the great benefit of the borough as it stands today.

It is, therefore, a distinct pleasure to participate with you in your Founder's Day celebration and join in your diamond jubilee.

West Virginia's Wonderful Potential

EXTENSION OF REMARKS

OF

HON. CLEVELAND M. BAILEY

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 16, 1962

Mr. BAILEY. Mr. Speaker, the State of West Virginia, organizations within the State, and just plain ordinary citizens, have embarked upon a tremendous program of self-help.

This effort has been spurred by the climate of the Kennedy administration in Washington, where every cooperation has been afforded.

One of our self-help programs is an annual travel clinic. This year's clinic, conducted recently at Blackwater Falls State Park, was under the joint sponsorship of the Upper Monongahela Valley Association and the Tucker County Development Association.

Three things became apparent as the clinic panelists unfolded their stories. They were:

First. West Virginia has a wonderful potential as the vacationland of the east-central United States.

Second. Private enterprise and public agencies are working together to provide more and better facilities for the tourist and to tell the story of West Virginia's vacationland features to an increasing number of prospects; and

Third. A wholesome attitude of State pride and confidence in the future grows as the date for the State's 100th birthday celebration comes nearer.

Many suggestions were made at the clinic. Some were outstanding. What is more to the point, those who attended the clinic are putting them into action.

Here is a list of the more outstanding suggestions:

First. Create some regional event—or attraction—that will hold the traveler in your area. Honey in the Rock and Civil War Showcase are two examples.

Second. Promote your festivals and fairs, not only in the area, but in the neighboring States and regions.

Third. Privately developed facilities can be successful. The need for good restaurants and for good lodgings will increase during the centennial year and in the years following.

Fourth. Search out the crafts people in your area. Well-designed items of ceramics, weaving, jewelry, woodworking, quilting, and other items are sought after by travelers. Help your handicraft people merchandise their products.

Fifth. Educate your own people, particularly those who have direct contact with the traveler. Special hospitality workshops can be arranged with the State department of vocational education.

Sixth. Push the cleanup campaign for 1962—the impression that West Virginia makes during 1963 will have a lasting effect on the State's future travel business.

Seventh. The tourist information center at Bluefield has proven worth while and the building of similar centers at other entry points in the State was urged.

Eighth. Good facilities and recreation areas not only attract tourists, but make the area an attractive one for industry. Industrial prospects consider recreational facilities as necessary.

Ninth. Local plants should be encouraged to arrange tours of their facilities for the tourist.

Tenth. Tour West Virginia yourself. Becoming familiar with the attractions that West Virginia has to offer will give you the enthusiasm to become a one-man chamber of commerce for the State.

Hon. Victor E. Anderson

EXTENSION OF REMARKS

OF

HON. PHIL WEAVER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 16, 1962

Mr. WEAVER. Mr. Speaker, it was with a great shock that I heard yesterday of the untimely passing of former Gov. Victor Anderson, of Nebraska. He died at the age of 60 apparently from a heart attack. He had been in poor health for the past few weeks.

Vic Anderson was a friend of mine, as, indeed, he was a friend of most Nebraskans. He was a fine man, an outstanding civic leader, and an outstanding and scrupulously ethical businessman in Lincoln, Nebr.

Vic had a long and distinguished career as a political figure in Nebraska. This career dates back to 1937 when he first served as a trustee for a sanitary district in Lancaster County. In 1948 he served one term as a member of the Nebraska Unicameral Legislature and made an outstanding record as a legislator.

After his term ended Vic wanted to go back into private life and to devote himself to his business activities which were widely varied. But his fellow citizens would not permit Vic to retire from public life. Less than a year later he was called upon to become mayor of Lincoln and again he performed an outstanding service to his community and his fellow citizens.

The job of mayor at that time demanded nearly full-time service by Vic, and paid $20 a month. But Vic was more than glad to serve because it was ingrained in his nature and being to perform such service.

In 1956 Vic was elected Governor of Nebraska and once again he did an outstanding job during his two terms in office. He helped the State through the trying times of growing pains that new industrial development and a sagging farm economy forced upon the Midwest. His service was unselfish in this and other areas.

Since 1958 Vic has more or less retired from public life although he has been an active civic leader in Lincoln and Lancaster County.

The State of Nebraska will miss Vic Anderson. I know that I speak for all of his friends when I say that I will miss him a great deal. Mrs. Weaver joins me in extending our sympathy to his wife, Betty, and son, Roger.

Equal Rights Progress

EXTENSION OF REMARKS

OF

HON. HERMAN TOLL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 16, 1962

Mr. TOLL. Mr. Speaker, the Justice Department has reported favorable results in the field of civil rights, opposition to organized crime, and reduction of juvenile delinquency in the Kennedy Administration activities.

I have contributed considerable time and effort on the subcommittee of the House Judiciary Committee which handles civil rights and Department of Justice legislation to support this favorable record.

The following talk by the Honorable Robert F. Kennedy, the Attorney General of the United States, amply shows the results which have been obtained in

the Kennedy Administration in the important field of equal treatment, protection and proper development of our citizens:

MUCH HAS BEEN ACCOMPLISHED—MUCH REMAINS TO BE DONE

(By Robert F. Kennedy, Attorney General of the United States)

I want to talk today about what has happened in the Department of Justice, the areas of special interest, what we have been trying to do for the period of the last year.

I think three major areas where we have made some progress and where a good deal of attention has been given and which might come up during the course of your work over the period of the next 6 months, is the area of civil rights; organized crime; and juvenile delinquency.

I think that we have made a considerable amount of progress in the field of civil rights. First, in the field of employment. When I became Attorney General, there were only, out of some 900 lawyers in the Department of Justice—now realizing the Department of Justice is charged with the responsibility in the field of civil rights—there were only 10 Negro lawyers out of 900 in the whole Department.

I remember at the inaugural parade, the President was reviewing it, and he saw the Coast Guard march by and there wasn't one Negro in the Coast Guard. He came out shortly afterward to greet the President of one of the new African nations, and they marched down in front of the color guard, the honor guard, and there wasn't one Negro in the honor guard.

At one of the early Cabinet meetings he said a study should be made in all of our departments to determine whether more Negroes could be employed, not employed just because they were Negroes but because people of character and ability and integrity who could perform the jobs should not be denied the right of employment because they were Negroes.

This has been done in my Department as it has been done in every department of Government. There are now Negroes in the Coast Guard, at the Coast Guard Academy. There are now Negroes in the honor guard, and there are more Negroes holding important positions in Government than at any time in the history of the United States.

In our Department, there are at least five times as many Negroes employed there now as there were at the time the President was inaugurated.

Now, we have taken a tremendous amount of action in the field of voting, because it has been our feeling that once you gain the franchise, once an individual is allowed to register and to vote, many of these other rights that we are making an effort to secure for minority groups will come.

When I became Attorney General, there were some 10 cases under investigation and where the Department of Justice had gone to court in connection with voting matters. Since, in the last year, the last 14 months we have brought approximately 10 times that number. We now have over 100 cases throughout the United States in connection with investigations and in actual court cases in voting matters. I think this is extremely important because once we can get that right to vote, many of these other rights will be secured. I am sorry that we were not more successful in obtaining the legislation that the President requested as far as literacy tests are concerned because if we could have obtained that legislation—much of the denial of the right to register and to vote has come through registrars sitting across the table and looking at an individual with a darker skin than he might have and saying "You are not literate."

And we have had college professors, we have had those who have received scientific grants, we have had ministers, we have had writers, authors, come in and be told by a registrar that they were not literate and a white person come to the same registrar who hadn't finished the third grade, and be allowed to register and vote.

And when I became Attorney General, there were 16 counties in the United States where Negroes outnumbered white people and yet not one Negro was registered to vote. And we found many, many counties where only less than 5 percent of the Negro population had been registered. We are making a major effort in this field, and as I say, we brought more than 10 times the number of cases.

LOCAL EFFORT

And we also made another effort. We have not brought a case, we are not doing any of this just for publicity. There hasn't been one court case that we have brought—whether it be voting or in any other area, that we haven't gone to the local authority and said, "this is the situation we find. It appears to us to be a violation of the law. It appears to us that we should take some action in this field, and that to meet our responsibilities, we will have to move. But if you take action yourselves, then we will not take any action. If you remedy the situation at the local level." Because we feel that this is the most important thing.

We pointed out that this should be done by the local authorities, not by the Federal Government, and I might say that there have been many, many cases where the local authorities have taken action themselves, where it hasn't been necessary for the Federal Government to come in. So where we have taken court action, it has only been after we have made an effort, and made an attempt, drawn the matter to the attention of the local authorities, in the county and in the State to see if they would remedy the situation themselves.

INTERSTATE TRANSPORTATION

We have also taken a good deal of action in the field of transportation. Through the efforts of the Department of Justice, more than 100 bus terminals in the United States have been desegregated. That means virtually every bus terminal that handles interstate commerce has been desegregated. All of the railroad terminals in the United States that have handled interstate commerce have been desegregated, and that is more than 200 railroad terminals.

Many of the airport terminals have been desegregated and where they have not, we are preparing legal action. So these are important steps forward.

The Vice President's Committee on Employment dealing with Government contractors—which I am sure you will hear more about—has also made tremendous progress. So we have taken steps forward in this extremely crucial and critical area of civil rights. We have a great deal more to do and certainly the job is not done.

We have the problem of schools. We cannot initiate school cases, but we worked for 6 months before the schools were opened last September, around the United States, where it was anticipated that there would be difficulty and problems.

We went to Memphis; we went to Dallas; we went to Atlanta and we went down into Florida, and then we worked with the local school authorities, and we explained what had happened in Little Rock, and what had happened in some of these other communities, and what they could do in each one of those areas to prevent any mob violence or prevent any disorder. I think that you can look back to the papers last summer, where they anticipated that they would have all of these problems, and then when the schools opened up last September, there were no difficulties. All those schools were desegregated—and there wasn't any violence.

RESULTS OF TEAMWORK

Those things don't just happen. They are made to happen, and a large part of the credit goes to the local school authorities and the local authorities in the area, but there was a good deal of effort and work done by the Federal Government also, to help and assist in these efforts.

So I think that it is a good record and a great deal needs to be done. On my trip that I just completed around the world I don't think that there was any place, any press conference or any meeting that I had with students, with any other group where we were not asked about the question of civil rights. This is the great problem. Unless we make additional progress in this field over the period of the next 8 or 10 years, we are going to have a difficult time—not only here in the United States, because in my judgment, Negroes are just not going to be satisfied to move along small steps at a time—but we are going to have great difficulties and problems overseas.

U.S. RELATIONSHIP

Carlos Romulo (former Ambassador of the Philippines) when he left here from Washington, came to see me—he has long been a great friend of the United States—and he said that we were going to have great trouble maintaining our position of leadership around the world if we didn't really make major breakthroughs in the field of civil rights. He said that we cannot go to people in other parts of the world and say that we believe in the Constitution of the United States and we believe in the Declaration of Independence if we treat part of our country, part of our population, a minority, as inferiors. But we are going to continue to work at it, we believe that it is right; and it has such a tremendous effect in our position around the world.

In the area of "organized crime," at the time the President was inaugurated, back in January of 1961, the various investigative groups of the Federal Government worked on the bigtime gangsters and hoodlums—worked independently. The Internal Revenue Department did its work. The Federal Bureau of Investigation did its work. The Bureau of Narcotics did its work. The Intelligence Service did its work.

EFFORTS COORDINATED

There are approximately 26 investigative groups of the Federal Government and they all went their own separate ways. Eventually, in some cases they would work together, but it was the exception rather than the rule.

Well, the first thing that we did was to get all of them in together and say that we wanted a coordinated effort on the bigtime gangsters and hoodlums throughout the United States, and for the first time in the history of the United States these groups are working together.

We established a group within the Department of Justice, made up of approximately 40 lawyers who pool all the information and knowledge regarding the bigtime gangsters and hoodlums in the country. We are now treating organized crime as the Federal Bureau of Investigation has treated communism over the period of the last 30 years.

GATHERING INFORMATION

We have an intelligence group that obtains and brings in information regarding the bigtime gangsters and hoodlums. The information is filed so that it will be available; perhaps we are not going to be able to take action against the bigtime gangster this year or next year, but perhaps 4, or 5, or 6 or 7 years from now, action can be taken based on information which is obtained at the present time.

All of that information on about 700 of our biggest gangsters and hoodlums throughout the United States is now all

being correlated in the Department of Justice. And we set up in some of the biggest cities across the United States smaller groups which work closely with the group here in the Department of Justice.

There hadn't been any new legislation in this field for the last 30 years. We are still living, really, on the reputation that was secured by Elliott Ness. And Al Capone was taken care of and that was really the end of it. The gangsters and the hoodlums in the meantime made great progress. They knew where they were going and they knew what they wanted to do, but there were no new tools that were given to the Federal Government, and so we asked for some new legislation, and more legislation was passed in the last year in Congress than has been passed by Congress for the last 30 years, since 1934, and they are extremely important bills.

THREE MAJOR BILLS

One bill deals with the travel for an illegal business and an illegal business is described as "gambling, narcotics, liquor." Another deals with the transmission of gambling information by phone or wire across State lines. Another deals with the transportation of gambling paraphernalia across State lines. Those are the three major bills.

And these are the ones that have really had a tremendous effect because they are aimed primarily at gambling and gambling provides the money for the bigtime operators in the United States and unless the bigtime hoodlums can deal interstate, they are in great difficulty because gambling is not gambling for them; it is business, and when they get the bets in, they have to lay off those bets and there are major layoff centers in about 10 sections of the United States. Now, they cannot telephone information across State lines because, regarding gambling, it would be a violation of Federal law. They cannot transport gambling paraphernalia; they can't bring gambling paraphernalia from Chicago into New York, or from New York into Ohio. That is all illegal now, so the result is, gambling has been cut down tremendously and I know that's true in the cities that all of you represent.

GAMBLING CUT DOWN

In the big football games they used to bet—the year before last—up to $70 million in the United States. Last year in the bigtime football games, it was down to $3 or $4 million, less than 10 percent of what it had been in the past. The bigtime hoodlums have been badly hurt by the passage of this legislation, and in addition to that, the Federal Bureau of Investigation is now conducting investigations in more than 4,000 cases based just on this legislation.

The head of the Royal Mounted Police in Canada said that they were having a tremendous problem in Canada now because of the fact that the bigtime gamblers—the bigtime gangsters in the United States—because of the effort that was being made in the United States, were now all coming into Canada and that they were having to deal with them.

We have convicted some major gangsters, such as Mickey Cohen on the west coast, who has now been sent away in a conviction that has been upheld by the Supreme Court; Frankie Carbo, who was the underworld king of boxing for so many years; and others all across the United States. If you are interested in details of some of these figures in your own comunities, in your own areas, in your own States, we would be glad to provide them to you.

There have been about more than four times as many hours of grand juries than before, and the convictions of people involved in organized crime have jumped tremendously.

Again, it is just the beginning, and it is too early to tell what the record is going to be. But certainly we have made a beginning.

And now just briefly on the last area which is juvenile delinquency—as you know I don't think there has probably been a subject which has been discussed more, written about more than juvenile delinquency. And less done about the juvenile delinquency.

AREA OF GREAT INTEREST

It has been an area that has been a great interest to the President and to the rest of us and we have made an effort, we were able to get some legislation passed last year, for the first time, legislation that has been discussed over the period of the last 10 years—we got laws that gave us $10 million a year for 3 years.

We have about 5,000 young people in our Federal prisons and we set up "halfway houses," one in Los Angeles, one in Chicago, and one in New York in an experimental operation. Young boys instead of being returned to the same environment, to the same friends, to the same home life that they came from, right out of prison, will go to this "halfway house." And we have special counselors there who will help them. They will spend about 3 months in this "halfway house." They will be helped and assisted in getting a job. They will be told how to dress before they go to an employment agency. They will be told where they can go for recreation; they will be helped and assisted as far as friends and associates are concerned.

All of this effort will be made over a period of 2½ or 3 months. This program has been in existence now for about 9 months and has been tremendously successful, and I hope will be expanded.

We don't feel that juvenile delinquency is going to be solved by the Federal Government. It has got to be solved at the local level—but at the local level in New York, they solve it one way, they deal with it in one way; in Chicago in another way; in Los Angeles in another way; in North Carolina a different way; in Florida a different way.

What is the best system? Nobody really has known. Who are the foremost experts in this field? So we are going to establish a center where everybody can come who has a responsibility at the local level, local authorities, the voluntary organizations. There will be one place where they can come and find various methods to deal with juvenile delinquency.

LONG-RANGE PROGRAM

Also no statistics have ever been kept on young people who get into difficulty—and there are more than 2 million every year, the ones that actually go to prison. Where did they come from? How did they behave when they were in prison? What happened to them once they got out? There is nothing known about that at the present time. But what we are doing is correlating all of the information across the country and have that in one place, so that we follow these young people who get into difficulty, and find out what happens to them after they get out. We feel that in a period of 8 or 10 years a great deal can come from that.

We have also given grants in 8 or 10 cities for a study of juvenile delinquency. Juvenile delinquency is not just a matter of better prisons. It has to do with housing, it has to do with education, it has to do with home environment, it has to do with recreation.

What can be done in the city of Washington; what should be done in the city of Chicago, or the city of New York, or the city of Los Angeles, to deal with this problem?

Now, it doesn't do any good just giving them a million dollars—and then they continue the same programs that have been continued in the past. What we have done is given a number of these communities anywhere from $100,000 to $250,000 to make a study, to come in with a plan as to what they can do and what they might do in that local community to deal with this problem.

We have set up a group of experts to go around and to examine the various communities, to find out who has the best ideas to deal with the problem. Then a grant is given to make a more systematic study that should go on for anywhere from 6 months to a year. The study will be considered here in Washington, and we will then make a determination as to what should be done.

Again, this is a step forward. It is not going to answer the problem of juvenile delinquency, but at least something now is being done about it. We are not just talking about it; we are not just preaching about it. We have an organized plan to try to deal with the problem and try to help these young people who get into difficulties.

These are three areas where we have tried to take some steps. As I say, we haven't licked them, but in my judgment, we have taken some major steps forward.

Forty-second Anniversary of Polish Soldier's Day Observed at Eddington, Pa., August 12, 1962, by Post No. 12 of the Polish Army Veterans Association of Philadelphia and Their Ladies Auxiliary

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 16, 1962

Mr. VAN ZANDT. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit for insertion in the RECORD an address I had the honor to make on August 12 at Eddington, Pa. The occasion was the 42d anniversary of the establishment of Polish Soldier's Day and the event was under the sponsorship of Post No. 12 of the Polish Army Veterans Association of Philadelphia and their Ladies Auxiliary.

In addition, I am including a copy of the program and the text of a resolution unanimously adopted by the members of the association on this occasion honoring the memory of their departed comrades.

The address, program, and resolution follow:

A TRIBUTE TO THE POLISH SOLDIER ON THE 42D ANNIVERSARY OF POLISH SOLDIER'S DAY

(Address by Representative JAMES E. VAN ZANDT, Member of Congress, 20th District of Pennsylvania, at the Polish Soldier's Day celebration, 42d anniversary, at Eddington, Pa., Aug. 12, 1962)

It is a pleasure to participate in this program observing the 42d anniversary of Polish Soldier's Day under the sponsorship of Post No. 12 of the Polish Army Veterans and its Ladies Auxiliary.

Having been invited to deliver the principal address on this occasion, not only do I want to congratulate the members of Post No. 12 and its auxiliary for sponsorship of this anniversary program, but I wish to stress the great contribution the Polish soldiers have made to their native land.

It is common knowledge that the fate and the destiny of all nations, from the most ancient times to our own day, are formed and fashioned by its soldiers.

Throughout the long and rather uneven course of human history soldiers of all nations, and especially those dauntless Polish soldiers serving in Poland's world-famed cavalry units, together with those gallant Polish soldiers of freedom fighting in our Revolutionary War, all have had an important share and have played a decisive role in the making of nations and in the shaping of their destiny and their fate.

The soldier's main task is his role in safeguarding and maintaining the independence and sovereign integrity of city, state, and nation.

Thus the all-important task of soldiers is the making of nations—the shaping of their destiny and then serving as guardians of the fate of nations.

These broad generalizations may seem too sweeping—and perhaps as a combat veteran of two world wars I may be regarded as magnifying the role and importance of soldiers in national histories.

I find it hard to overemphasize or praise too highly the supreme importance of soldiers in the difficult task of nation making and nation guarding.

Down through the ages good soldiers have always deserved to be, both in time of war as well as in peacetime, the admired and honored citizens of a nation. This is particularly true in the case of the soldier of Poland.

The long, eventful, dramatic, and tragic history of the Polish people in their struggle for independence is universally known.

During the days of the grandeur and glory of the Polish nation, as well as in its decline and destruction by its foes, the Polish soldier has shared its glory and has suffered its misfortunes.

In glory and in misfortune he has steadfastly remained true to his calling, to serve to the best of his ability and to the limits of his physical power the righteous cause of the Polish people by fighting and dying for it.

During the infancy of their nation Polish soldiers learned this supremely important lesson 10 centuries ago in the days of their first national king, Mieszko I, the founder of the Polish kingdom.

This founding father of Poland, with the aid of a band of Polish soldiers, extended his reign northward to the Baltic shore and southward to the foothills of the western Carpathians.

On his death in 992 he was succeeded by his worthy son, the famous Boleslav the Brave, who as a courageous soldier and resourceful statesman is known in Poland's history as Boleslav the Great.

For more than 30 years this gallant knight, the first soldier and first servant of Poland, served Poland's cause by strengthening the Polish state and thus making it one of the best organized and most important countries in Eastern Europe.

Through his soldierly gallantry and astute statesmanship this warrior-king raised Poland to the rank of a leading European country.

In his almost miraculous success his ability as a soldier proved far more important than his statesmanship, for those were the days of warrior-kings of uncommon valor and extraordinary courage. And Poland was fortunate in having a good supply of such leaders, men of noble character and indomitable will.

And, as the whole world knows, these great sons of Poland, besides serving Poland's sacred cause, have also served the European causes, the American cause, and the cause of humanity.

But long before the fame of Polish soldiers was known in other parts of Europe, and many centuries before the discovery of America, they were guarding Europe against its non-European invaders.

For several centuries when Eastern Europe was under attack by Mongols and Tartars from Asia the fighting men of Poland often found themselves between Christian Europe and its non-Christian foes, the powerful Asiatic hordes in their massive westward movement.

In this defense of Europe's Christian civilization these devoutly Christian Polish soldiers fought with doubled courage and with intense fervor because they knew that they were defending supreme causes, the sacred cause of the church and the righteous cause of Poland.

Centuries later—late in the 17th century—when the same Europe's sacred cause was under the attack of the Ottoman Turks—it was saved by the singularly swift mobilization of the Polish soldiers under their warrior-king, Sobieski the Great.

Yes, in the year 1683 the invincible forces of victorious Ottoman Sultan had besieged Vienna and this last citadel of central Europe was about to fall to its un-Christian foes, and it was saved by the gallantry of Poland's greatest king in modern times, Sobieski the Great; it was saved by his organizing genius, his supremely successful leadership in the field of battle and his unmatched mastery of the art of fighting a decisive and successful battle against a superior enemy.

So in the year 1683, on that fateful September 11 when King Sobieski's combined Polish and Austrian forces defeated the far superior Turkish forces at the gates of Vienna, the victorious armies not only saved Europe from the ravages of the Ottoman Turks, but by that decisive victory they brought an end to Turkish expansion in Europe.

Here again it is proverbial to talk and expand on the bravery and courage of Polish soldiers and also of their heroic king, Sobieski the Great.

We on this side of the Atlantic look upon this miraculous feat of Polish soliders as one of the finest services that these gallant fighters rendered to the cause of Christian civilization and to humanity.

About a century after the glorious fight of Polish soldiers against the Turks under the walls of Vienna, another great war was being fought in the British colonies on this side of the Atlantic.

Our Revolutionary War had attracted many gallant soldiers from many lands in the cause of freedom. But among all those who found means to secure passage to the New World where they hoped to have a chance to fight for a noble cause, none had any purer and unmixed motive than those Poles who rallied to our cause.

They enrolled in our fighting forces and then distinguished themselves as leaders and organizers of fighting units.

There were many Poles who thus fought and gave their lives for our freedom, thereby leaving us eternally in their debt.

Among these great and devoted Polish soldiers of freedom, two stand out:

Gen. Casimir Pulaski's name has long become a household word in all American homes as the military genius who organized our cavalry forces during the Revolutionary War. His fame is well established as the father of American cavalry.

Gen. Tadeusz Kosciuszko is equally well known as another great son of Poland who served with equal distinction in our Revolutionary War, and also subsequently in his native land in fighting for Poland's freedom.

When Poland's brave Polish soldiers were fighting for freedom in other lands, Poland was having her most agonizing period in her long history.

Late in the 18th century her powerful and implacable foes—Austrians, Prussians, and Russians—partitioned her among themselves, put an end to independent Poland, and enslaved the Polish people.

Fortunately, however, these autocracies were unable to put an end to the living spirit of Poland. Patriotic and fighting Poles lived on it and they bred a caste of fighters who vowed to fight and die for Poland's freedom.

Poland's conqueror could not suppress Poland's fighting, soldierly spirit.

For more than 100 years these daring Poles carried on their underground fight against all three of their oppressors.

During the First World War, when Poland's historic foes were defeated and their regimes shattered, Poland regained her freedom. Poland's sons had fought in that war on the side of the allied and associated powers. And, just as Polish-Americans fought in our forces with gallantry and distinction, so Polish soldiers fighting in the armies of our allies gave a splendid account of themselves.

Their services were universally recognized. And as a reward for their contributions and for the immense sacrifices they had made for their freedom, they were assisted in regaining their independence at the end of that war.

During the next two decades the Poles rebuilt their war-ravaged country, established their own national institutions, organized a powerful army under the indomitable Marshal Pilsudski, and were quite content with their lot in their homeland.

But the course of politics in neighboring Russia and Germany, particularly in the late 1930's, ushered in tragedy to independent Poland, to free Europe, and to Western civilization.

Neither Poland's strong army by itself nor those of her allies in the west were able to prevent the outbreak of the last war.

Poland was the first victim of that war and the soldiers of Poland were the first to resist the far superior and brutal forces of Hitler's Germany.

It is to the credit of Poland's gallant and brave soldiers that under the most adverse and heartbreaking conditions they carried on their fight against their ruthless and immensely superior foes for more than 5 years.

Throughout these agonizing years the patriotic Pole's ingenuity and his readiness to give his life for his country's cause earned the free world's admiration and affection. Most glorious was their stand against the Nazis in the abortive but heroic mass rising in Warsaw in the summer of 1944.

In that epic fighting between the Polish underground and their Nazi oppressors, the Polish soldier's valor and bravery assured him a distinct place among the heroes of the last war.

Eighteen years have gone by since that epic struggle in Warsaw and the glory which the Polish soldiers earned by their gallantry and bravery there looms larger and grander today, even though they were treacherously abandoned and then betrayed by the Soviet Government.

In the face of the multitude of heroic services which Polish soldiers have rendered to their country and its people, to Europe and its civilization, and, of course, to the cause of freedom during our Revolutionary War, I find it difficult to praise too highly the fine and noble deeds of Polish soldiers.

I know I can hardly do justice in my comments to the descendants of Boleslav the Brave and Sobieski the Great or to the spiritual followers of Kosciuszko and Pulaski. Nor can I do justice in my remarks to the true disciples of Marshal Pilsudski and to all those who served under Generals Sikorski, Sosnkowski, and Komorowski.

Many great sons of Poland, yes, many of her gallant soldiers of freedom, find themselves far away from their native Poland today. Thousands of them are welcomed in this great Republic and many of them are among America's outstanding naturalized citizens.

These soldiers may rest assured that we in this country are fully aware and duly appreciative of their superb services to the cause of freedom.

As I conclude, let me again pay tribute to the members of Post No. 12 Polish Army Veterans and its auxiliary for their sponsorship of this annual Polish Soldiers Day.

Through such an observance you keep alive in the minds of the Polish people, as well as all Americans, the determination on the part of Poland as a nation to shake off the yoke of atheistic communism.

You give a ray of hope to the Polish people that Poland, as a nation protected by the courageous Polish soldier, may once more enjoy the liberty and freedom yearned for in the hearts of the Polish people.

PROGRAM

10:30 A.M.

Holy Mass at St. Adalbert's Church.

2 P.M.

Presentation and review of color guards.

Introduction, Lt. Alexander Machowski, commander, Polish Army Veterans Post No. 12.

Toastmaster, Hon. Julian Zbytniewski, first national senior vice commander of Polish Army Veterans Association.

Invocation, Rev. Francis Palecki, pastor, St. Adalbert's Church.

American and Polish national anthems, Polish American Musicians Association Band.

Address, Hon. Theodore S. Gutowicz, insurance commissioner, Commonwealth of Pennsylvania.

Musical selections, Polish American Musicians Association Band under the direction of Mr. Joseph Pudlinski.

Principal address, Hon. JAMES E. VAN ZANDT, Member, U.S. House of Representatives.

Polish folk dances, St. Adalbert's Polish Language School.

Resolution, Lucian F. Pazulski, Esq., director, Pennsylvania Labor Relations Board.

Introduction of honored guests.

Taps in honor of deceased Polish soldiers, Rudy Meinhart, Horn-Ross-Weiss Post 861 VFW, officer of the day.

Benediction, Rev. John A. Naja, pastor, St. Ladislaus Church.

Finale, "Boze Cos Polske."

The following resolution was unanimously adopted at the exercises commemorating the annual and 42d anniversary of the Polish Soldiers Day celebration, sponsored under the auspices of the Polish Army Veterans Association, Post No. 12, and its Ladies Auxiliary, in Philadelphia, Pa.

Assembled under the auspices of the Polish Army Veterans Association, Post No. 12, in Philadelphia, Pa., we veterans having paid tribute to the valiant Poles who fell on the battlefields of glory for their country, for Christianity, for freedom, and democracy, do hereby resolve as follows:

The Polish Soldiers Day, as decreed by the constitutional Polish Parliament in Warsaw, Poland, some 42 years ago, was chiefly designed as an observance of the heroic Polish defense in 1920 which resulted in the routing of the Bolshevist hordes that invaded the newly reborn country. Observance of the Polish Soldiers Day, August 15, in present-day Communist-ruled Poland is forbidden, as is Poland's Independence Day, November 11. It behooves us then to give all aid and comfort to those who are bent on observing Polish Soldiers Day in commemoration of the glorious deeds of all who made the supreme sacrifice in defense of Poland, including those of them who, like Kociuszko and Pulaski, also fought for our American independence.

Since most everybody of the natives in Poland truly became a soldier with the advent of Nazi and Soviet occupation of the country after Hitler and Stalin invaded Poland and divided it between themselves, Polish Soldiers Day became the occasion for the observance of a universal sacrifice of the Polish people, the first to fight in defense against totalitarianism in World War II and, as one of our Presidents said, the inspiration for all the peoples of the earth. We, therefore, salute today not only the Polish soldiers here gathered, but also the one who fought so bravely side by side with our U.S. forces and our Western Allies on land, on the seas, and in the air, distinguishing himself in the battle of London; at Narvik, Norway; in Tobruk, Africa; on Monte Cassino, Italy; at La Falaise, France; at Arnhem, Holland, and on the high seas of the Atlantic.

We also resolve that this observance today is a fit occasion to renew the June 16, 1962, entreaties of the Supreme Council of the Polish American Congress at its sixth national meeting in Washington, D.C., directed to the White House and the Congress of the United States, that aid to the people of Poland be extended and not discontinued by our Government. We likewise renew our national body's representations to the effect that in a larger view of history, Poland, due to its geographic position, its national temper, and its thousand-year-old ties with Western culture and Christianity, is in fact, an invincible barrier in the path of pernicious Soviet designs for world conquest. Consequently, at this time, we also renew our hopes that our national administration, at an early date, will see fit to recognize Poland's western borders along the Odra-Nysa line, thereby removing the fears of the Polish people in their homeland, convincing them that German eastward aggression is definitely checked by the West. At this time we also repeat the stand taken by our national body in its statement of policy that we will accept no determination of Poland's boundaries which does not assure that nation not only her present western boundary, but also the return to her of her territory on the east annexed by Soviet Russia.

And we finally resolve that the hereinabove described statements be forwarded in their entirety to the White House, to our Department of State, and our representatives in both Houses of the U.S. Congress.

ALEXANDER MACHOWSKI,
Commander, Polish Army Veterans Post No. 12 and Chairman of the Polish Soldiers Day Celebration.

LUCIAN F. PAZULSKI, Esq.,
Chairman of the Resolutions Committee.

Finds Stray Balloon

EXTENSION OF REMARKS

OF

HON. PHIL WEAVER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 16, 1962

Mr. WEAVER. Mr. Speaker, the newspapers and constituents of my district are maintaining their deserved reputation for alertness to threats of foreign invasions. The other day, a story appeared on the front page of the Public Mirror of Arapahoe, Nebr., reading as follows:

FINDS STRAY BALLOON

An unusual find was made in the watermelon patch at the I. L. Carskadon farm on the valley, southeast of Arapahoe, Sunday.

It was the remains of a small blue balloon, which from its fringed condition had suffered a peculiar explosion. Attached to the long string on it was part of another red balloon.

The advertising on it reads: "Vote for PETER H. DOMINICK for U.S. Senator."

Research shows that Mr. DOMINICK, of Englewood, Colo., was last year a Colorado U.S. Representative and it is guessed that he is now campaigning for the Senate.

How far and from where the balloons had traveled is a matter for conjecture.

Not only was the story interesting, and the detective work accurate, but the editor was even kind enough to send Congressman DOMINICK a copy of it. I had recognized that my able colleague and good friend, Congressman DOMINICK, of Colorado, was putting on a vigorous and high-flying campaign for the position of U.S. Senator, but I had not realized how high flying it was until I saw this article. It seems particularly appropriate that the balloons descended from orbit in Arapahoe, Nebr., as my good friend Congressman DOMINICK claims as his hometown Englewood, Colo., which lies comfortably and prosperously in Arapahoe County, Colo.

On behalf of the Public Mirror, the citizens of Arapahoe, and myself, we wish him well in his campaign for the Senate and assure him that he, as well as his balloons, are welcome in Arapahoe, Nebr.

Over $100,000 in Excess Profits Should Be Recovered by Justice Department

EXTENSION OF REMARKS

OF

HON. EARL WILSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 16, 1962

Mr. WILSON of Indiana. Mr. Speaker, the Navy Department Bureau of Ships has paid a manufacturer almost 50 percent in excess profits for the manufacture of a small, transistorized power supply and in so doing has wasted at least $175,000 of the taxpayers' money—probably much more.

As a result of my study of military procurement and as a result of the assistance given me by the General Accounting Office, I have been able to pinpoint payment of excess profits by the Navy whereas a Senate committee failed in the same attempt. I have also been able, with GAO cooperation, to set the stage for the recovery of excess profits from the Admiral Corp. of Chicago, Ill., by the Justice Department to whom I shall shortly refer this case.

The power supply that has been purchased is known in procurement circles as the PP-2100. It fits into an aircraft

radio known as the ARC–27. The prices paid for this small power supply are fantastic, and the overcharge by the contractor is even more fantastic. The fact that the Navy allowed this overcharge to occur without taking even routine audit procedures to find out about it is an indictment—a further indictment, I might say—of the inefficiency, incompetency, and resultant waste that is rampant in our defense budget.

My attention was first alerted when I read testimony before the Senate Select Subcommittee on Small Business on the procurement of the PP–2100. In those hearings, Navy people declared that because of urgency of delivery the Navy was forced to buy the power supply sole source from the Admiral Corp. of Chicago, Ill.—7,000 units were purchased at a price of $360 each. About 90 days later, the record shows, there developed additional requirements which resulted in a competitive procurement. This resulted in an award of contract to Crescent Communications, Inc., at a unit price of $180. This, in itself, might not be significant. What I found to be startling was the fact that on the competitive procurement, Admiral submitted an unsuccessful bid of $181.45 per unit for the identical equipment they had been selling the Government for $360. This was exactly one-half Admiral's previous price.

To my way of thinking, Mr. Speaker, had I purchased a home in Bedford, Ind., for $36,000 and found out 2 months later that the same builder sold an identical home in an identical location for half that price, I would be alarmed, to say the least.

On this basis of thought, I made inquiry of the Comptroller General and asked for assistance in obtaining more facts.

Last August I requested the Comptroller General to review this entire procurement. In October, the General Accounting Office responded with a report that indicated that according to Admiral's records it realized a lower rate of profit than contemplated at the time of negotiations with the Navy. The GAO report continued that Admiral, while allowed to make a 10-percent profit on the contract, stated it actually made a profit of only 3.93 percent. GAO felt this to be sufficient evidence that no excess profits were involved.

This pitiful profit stimulated my curiosity even more and on October 17, 1961, I advised Mr. Campbell that I was not satisfied with the report or with an unsupported overall statement by Admiral. I requested a complete audit of the contracts involved.

Just a week ago today, the Comptroller General reported to me that the audit for the PP–2100 power supply procurement had been completed. The General Accounting report states that the Admiral Corp. actually realized a profit of $355,000, or more than 14 percent of the contract. This compares, the GAO report continues, to an allowable profit of $252,280 and with a profit of $179,000 or 7 percent of the total contract, which Admiral now says it made.

In other words, we have this situation. Admiral at first said it made under 4-percent profit. Now it says it made over 7 percent. It was allowed 10 percent by terms of the contract, but General Accounting Office auditors have learned it realized a 14-percent profit.

This means that Admiral enjoyed a profit of at least $100,000 more than ever contemplated by the Navy or allowed by the terms of the contract. It also should be said that the Navy has never pursued this matter nor has it attempted to recover the excess profits. When I think of how hard it was for me to get $75,000 added to the public works appropriation bill for flood control to save lives, this throwing away of the taxpayers' dollars makes my blood boil. The highhanded, profligate policies of our Constitution Avenue "junkers class" is again disclosed for what it is—"Incompetency, Incorporated."

So, Mr. Speaker, here is another "after the fact" story. Navy sole-source purchasing officials buy a 6-pound power supply for $360 and spend $2.5 million for 7,000 of them. The "sole source" action was based on urgency of delivery, and the taxpayers' pockets were picked. This has been proven by subsequent GAO reports and by the fact that the price was cut in half when the power supply was bought with the force of competition applied.

The astounding thing to me is that this has not been brought out in previous inquiry in the Senate, when a lone Congressman has been able, by keeping his nose to the grindstone, to ferret out the facts. Another astounding thing is that, while the purchase was "justified" as a "sole source" action because of an alleged critical need, the tube version of this power supply involved has been bought by the Navy Department since about 1940, and since that time, up to the first public procurement, it was bought sole source from either Admiral or Collins.

In other words, we are asked to believe that the Navy had been buying equipment that was operational until it suddenly all failed at once, and the only way to keep the aircraft using the radio in combat readiness was to pick the taxpayers' pockets again. The utter asininity of this position is only tragic because the constituted committees in looking into it did not blow it to "smithereens."

Mr. Speaker, I am going to forward this entire case to the Attorney General for his attention in the very near future. I shall make available to him my files and the GAO report to me which says that sections of the armed services procurement regulations have been violated. I think the Justice Department should recapture in the courts the $100,000 overcharge. This examination will turn up information which will lead, I believe, to further recapture of money by the Justice Department for the taxpayers of this Nation.

It may not be criminal to waste the taxpayers' money, Mr. Speaker, but it ought to be, and it is high time we started getting back some of the money that has been wasted when the paths of waste can be traced and the money located.

The Quality Stabilization Bill

EXTENSION OF REMARKS

OF

HON. CLARK MacGREGOR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 16, 1962

Mr. MacGREGOR. Mr. Speaker, a number of distinguished Members of the House have introduced identical quality stabilization bills in the 87th Congress. It is my privilege to join them in so doing.

The quality stabilization bill, as enacted, will equalize certain rights and opportunities in the distribution of branded articles; it will further the advancement of independent retailing; it will help consumers to have a true standard of value combining both quality and fair price, for the things they buy; it will discourage monopoly by promoting competition; it will help the national economy.

The bill would give manufacturers of branded goods certain rights. For example, it would permit a brand owner to establish a price, or a range of prices, below or above which his branded product may not be resold.

This is a right that is already enjoyed by many brand owners—but not by the great majority of brand owners.

Some $30 billion of goods are sold at retail each year in the United States by brand owners who lawfully established the absolute price at which these goods could be resold at retail. These brand owners include the great retail chains of the country. They own private brands—private in the sense that these brands are sold only in the stores of the respective chains. In each case, the chain establishes a uniform price for a particular branded article, notwithstanding differences in operating cost among the various outlets of the chain. In the case of the chain, this is considered good business. There are other brand owners who lawfully establish the price at which their products are sold to the consumer. These include companies which sell brushes, perfume, electrical appliances, and so forth, house to house through canvassers, and the publishers of newspapers and magazines that sell on consignment. The list can be continued indefinitely. These brand owners have one thing in common: They not only own certain brands, they also own or control the means for distributing them.

The quality stabilization bill which I have introduced extends the same rights to individuals, partnerships, and corporations who are brand owners but who do not own or control the means for distributing their brands. They do not own the distribution system—which includes not only chains, supermarkets, and the like but also, and most importantly, the

nearly 2 million independent retailers who make up the bulk of most business. These brand owners, and the members of their distribution systems, rightfully believe that they, too, should have the opportunity to enjoy the benefits of uniform but competitive pricing. I say competitive pricing because my bill requires that a branded product—to be eligible for application of the provisions of the bill—must be in free and open competition with articles of the same general class produced by others. This requirement, incidentally, need not be met by brand owners who also own or control the means for distributing their branded products. What this bill would promote is more competition—but fair competition. The small, independent retailer would have a better chance to compete effectively, and therefore, successfully because he would be given a better opportunity to sell, and at a reasonable profit, the bread and butter items on which his existence depends. I mean, of course, the big, popular, best-seller brands of the marketplace—the brands that some outlets like to sell at low, low prices—even at severe losses—in order to entice customers into their stores. In other words, quality stabilization would restore a real measure of integrity into the marketplace. And integrity of marketing practices is the American shopper's finest guarantee of fair dealing, of honest values.

There is a social as well as an economic aspect to the quality stabilization bill. I know something about independent merchants for I have been a director of the Community Chest in my own community. I know that the independent merchants of the community contribute substantially in time, talent, and money to all the good works of the community—including the Community Chest. They probably give 10 times as much as absentee-owned retail chains to the Community Chest in the community—when giving is compared on the basis of so many dollars contribution for every thousand dollars per year of sales. Who replaces the independent merchant when he is driven out of business—largely because he does not have enough dollars in sales to compete against the tactics of price-juggling absentee operators?

I have never heard a customer complain that she cannot shop around for the lowest price of a particular chain brand because every chain outlet in her territory charges exactly the same price for that brand at a given time. A chain, however big it is, simply could not afford to charge various prices in its many outlets for the identical brand. It would lose its reputation for fair dealing at once. As a matter of fact, all the reputable stores in the United States have a one-price-to-every-customer policy. It is a policy in which mass distribution has developed more and more to keep pace with the advancing technologies that have made mass production possible. It is a policy that has assisted in making the United States the world's greatest consumer market.

The quality stabilization bill offers an extension of the one-price-to-every-customer policy. It promotes orderly marketing; it promotes more effective marketing; it promotes the economy. It will be good for our country.

Independence Day of Cyprus

EXTENSION OF REMARKS

OF

HON. ADAM C. POWELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 16, 1962

Mr. POWELL. Mr. Speaker, we take this opportunity to send warm felicitations to His Excellency, the President of Cyprus, Archbishop Makarios III; and His Excellency, the Ambassador of Cyprus to the United States, Zenon Rossides, on the occasion of the second anniversary of the independence of Cyprus.

Cyprus is the largest island in the eastern Mediterranean, and an important commercial and strategic spot for the entire Middle East area. It is perhaps the oldest inhabited and culturally historic island anywhere on the globe, for its ancient inhabitants created one of the oldest known civilizations. Yet today the 2-year-old Republic of Cyprus is one of the youngest independent, sovereign states in the Middle East.

This island of some 3,500 square miles, with its Greek-Turkish population of about 560,000, was for centuries part of the Ottoman Empire. In 1878 it was brought under the administration of the British, who in 1914 annexed it. Since the end of the First World War its majority Greeks and minority Turks have been fighting among themselves, the former advocating the union of the island to Greece with the Turks wanting to have it become part of the Turkish Republic. The British of course wanted to maintain its status quo, and they succeeded in doing so until 2 years ago. Particularly since the end of the last war, just as Greek leaders of the island have vowed to prevent the union of the island with Turkey, the Turks were equally determined to prevent its union with Greece. During the late 1950's a bitter struggle between the Greeks and Turks took on the proportions of a civil war, and the British seemed unable to put an end to this internal and destructive strife. Finally both Greek and Turkish leaders of the island realized the futility of continuing the fight among themselves, and agreed to a sensible solution. The British Government also encouraged such a move, and agreed to grant the people of the island independence under certain conditions. This statesmanlike move culminated on August 16 of 1960 in the birth of the Republic of Cyprus.

Today this tiny but important Republic is sovereign and independent. It is a member of the British Commonwealth, and a member of the United Nations. The industrious and brave people of the island have joined hands in repairing the loss caused during the civil war, and they are supremely confident that soon they will regain their former prosperity. On the second anniversary of their independence day, we all wish the people of the Republic of Cyprus prosperity and peace.

A Resolution To Establish a Select Committee on Arms Control and Disarmament

EXTENSION OF REMARKS

OF

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 16, 1962

Mr. ROSENTHAL. Mr. Speaker, I introduce, for appropriate reference, a resolution to establish a Select Committee on Arms Control and Disarmament to consist of 13 members chosen for their special knowledge of foreign affairs, armed services, atomic energy, science, and astronautics.

Under the provisions of the resolution, the committee would be authorized and directed to conduct a full and complete investigation and study of proposals for arms control and disarmament including, but not limited to, first, efforts made by the United Nations in seeking the control and reduction of military forces and armaments of all types; second, disarmament proposals developed by the United States and other governments as well as by private groups and individuals; third, methods by which the attitudes of the American people and their Government on the subject of disarmament and world peace may be communicated abroad; fourth, the relationship of armaments to the state of the world economy; fifth, the relationship of underlying international tension to the problems of disarmament; sixth, the dangers implicit in unilateral reduction of armaments; and, seventh, methods of assuring that plans for reduction of armaments shall not endanger the security of the United States.

This resolution is introduced, Mr. Speaker, in the hope that initially it will stimulate discussion and consideration. I am aware that, since the Legislative Reorganization Act of 1946, only 2 standing committees have been added to the 34 committees then established. Both of these committees were created to deal with the new dimension of space.

In the House of Representatives, the new standing committee is known as the Committee on Science and Astronautics and was approved July 21, 1958. The corresponding committee in the other body is the Committee on Aeronautics and Space Sciences, created July 24, 1958.

Meeting the challenge of space by establishing these two new standing committees, seems to have had a broad appeal in both the Senate and the House. This factor undoubtedly facilitated amendment of the Legislative Reorganization Act of 1946. I submit that, as in the case of space, arms control is a new and growing field, highly technical in nature, that inevitably impinges on

several related fields in which the House has long-established standing committees.

I do not propose, Mr. Speaker, that we create an additional standing committee. That would certainly be premature and perhaps ultimately unwise. I do believe, however, that the field of arms control is one of great significance that deserves and requires the attention of a committee of the House. Obviously, the quest for practical, effective, multilateral procedures by which arms control or disarmament can be achieved is a continuing concern of national policy at the highest levels.

We should recognize these developments by an appropriate committee of the House of Representatives. Since its membership probably would include key members of the Committees on Armed Services, Atomic Energy, Foreign Affairs, and Science and Astronautics, appearances before the proposed Select Committee on Arms Control and Disarmament would facilitate coordination of policies in these related fields and reconciliation of differing viewpoints in the interests of unity and achievement.

We should be mindful, also, of the continuing impact that the proposed Select Committee on Arms Control and Disarmament could have on world opinion. Let the whole world know that the Congress of the United States backs the President's efforts to achieve arms control. Establishment of a Select Committee on Arms Control and Disarmament would be telling evidence of the importance this House places on the massive effort the United States is making to prevent a nuclear holocaust. What other Nation has a comparable body in its legislative structure?

In my judgment, these are compelling reasons which should gain favorable consideration for this resolution. I do not, of course, anticipate action during the remainder of this session. However, I would hope that discussion would ensue in the coming months with respect to the resolution to create a Special Committee on Arms Control and Disarmament. As a further contribution to this discussion and consideration, I should like in conclusion to review the history of the Subcommittee on Disarmament created July 25, 1955, pursuant to the terms of Senate Resolution 93—84th Congress, as amended by Senate Resolution 185 and Senate Resolution 286—84th Congress, and Senate Resolution 61, Senate Resolution 151, Senate Resolution 192, and Senate Resolution 241—85th Congress. In August of 1958 this subcommittee published a final report—Senate Report 2501, 85th Congress—and merged with the full Senate Committee on Foreign Relations.

Three years after this subcommittee was created to make a full and complete study of the disarmament problem, Senate Resolution 241—85th Congress—approved by the Senate in January of 1958, dissolved the subcommittee as of July 31, 1958. This resolution gave the following reason for its discontinuance:

Inasmuch as the question of armaments reduction and control is primarily a problem of foreign policy and a problem intimately related to many other foreign policy matters and in view further of the responsibilities of the Foreign Relations Committee over foreign policy matters, at the expiration of the Subcommittee on Disarmament, on July 31, 1958, all records, duties, and functions of the subcommittee should be turned over to the Committee on Foreign Relations.

Another argument for the abandonment of the subcommittee was that the Disarmament Commission designated by the General Assembly of the United Nations should be the appropirate forum for conducting negotiations on the regulation of disarmament.

The Legislative Reference Service of the Library of Congress has found no record of the establishment of such a subcommittee in the House of Representatives. Neither House has, to my knowledge, previously entertained a measure to create a Committee on Arms Control and Disarmament.

It is my hope that this proposal will receive the personal attention and consideration of each and every Member of this House.

Fishing Vessels in Massachusetts

EXTENSION OF REMARKS

OF

HON. TORBERT H. MACDONALD

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 16, 1962

Mr. MACDONALD. Mr. Speaker, I have introduced legislation today to correct existing inequities in the construction of fishing vessels in Massachusetts. It is my belief that these bills will enable the depressed fishing industry of New England to regain a normal position in the Nation's economy and compete against the massive foreign fleets now fishing off American shores.

While I was pleased when my colleagues passed the Macdonald-Magnuson bill to give aid up to 33⅓ percent, events have proven that this amount should be increased. My legislation would increase the construction subsidy for wooden vessels to 35 percent, and steel vessels to 50 percent. A statute which dates back to 1792 requires American fishing vessels to be constructed in the United States. The price difference between American and foreign shipyard costs is as much as 48 percent. Forced to subsidize American boatyards, the fishing industry in Massachusetts and New England is fighting a losing battle against foreign competition.

Failure to provide sufficient construction differential payments for fishing vessels has subjected our fishing industry to unfair competition. Just 15 miles off Cape Cod, Russian fishing vessels may be seen which are equipped with the latest technological gear. These ships can process their catches and freeze them on the spot and operate in all types of weather for many purposes, including aid in the latest Russian orbital flights. It seems very wrong to me that free world nations fishing off our Massachusetts shores have ships far superior to American vessels. The United States does not have any factory ships or refrigerated vessels. The New England fishing industry has had to compete not only with the lower wage costs of its competitors in Canada, Iceland, Britain, and elsewhere, but with the lower cost of vessel construction in those countries. Action to rectify this must be soon forthcoming.

I also introduced legislation today providing for the construction of two modern stern ramp trawlers, one for service on the east coast, one for the west coast. This legislation is designed to aid in the development of more modern methods in the production, preparation, processing and preservation of fish products. The two trawlers would serve as prototype vessels for future American fishing fleets.

What the Public Works Acceleration Bill Will Do—Questions and Answers

EXTENSION OF REMARKS

OF

HON. JOHN A. BLATNIK

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 16, 1962

Mr. BLATNIK. Mr. Speaker, the Public Works Acceleration and Coordination Act, H.R. 10113, has been granted a rule and will soon be brought to the floor of the House.

The Public Works Acceleration Act is one of the most important bills that the House will vote on this session. Its purpose is to combat the continuing high level of unemployment through the construction of urgently needed Federal, State, and local public works. This bill will give every Member an opportunity to show whether or not he is concerned over the plight of the unemployed, and whether or not he is willing to take constructive action to help the jobless.

The bill and the need for action are clearly set forth in the report of the Committee on Public Works—House Report No. 1756. To state emphatically just what the bill would do and what it would not do in the clearest possible terms, I am inserting in the RECORD an explanation of the bill in question-and-answer form:

Question. What would H.R. 10113 authorize?

Answer. First, the bill authorizes the appropriation of $900 million to expand employment through the construction of Federal, State, and local public works. Second, to meet the longrun need of better planning and coordination of information on public works, the bill would establish the Office of Public Works Coordination and Acceleration.

THE IMMEDIATE PUBLIC WORKS PROGRAM

Question. Why do we need to spend this $900 million.

Answer. Unemployment has been above the 5-percent level continually for the past 5 years and there is nothing in

recent statistics or business reports that indicates a rapid return to full employment. In fact, the present economic slack threatens to pull the entire economy into another recession unless something is done to stimulate business.

Question. Where would these public works projects be located?

Answer. To assure that the program will have its first and greatest impact in areas where unemployment is most serious, aided projects would have to be located in one of the cities or counties eligible under the Area Redevelopment Act or in one of the 122 other communities which have suffered from high unemployment—6 percent or more—for most of the past year. Altogether this comes to a little over 1,000 eligible places which are listed in the committee report.

Question. Will these eligible areas be the only ones to benefit by the bill?

Answer. Certainly not. The program will stimulate the entire economy through the purchase of construction materials and will have a multiplier effect as the incomes created are spent and respent.

Question. How many jobs would be created under the bill?

Answer. At least 150,000 man-years of employment would be created in onsite construction employment and in the factories and mills which produce construction material. As the incomes generated are spent and respent, at least 150,000 additional man-years of employment would be created through the country.

Question. What kind of Federal projects could be undertaken under the bill?

Answer. Only those Federal projects specifically authorized by the Congress and which meet the other requirements in H.R. 10113 could be built.

Question. What Federal agencies would get these funds?

Answer. The President could allocate the money to whichever Federal agencies could use the money most effectively. These would include the Corps of Engineers, the Forest Service, Soil Conservation, or any other Federal agency authorized to undertake construction.

Question. What kind of aid would be available for local public works?

Answer. The bill authorizes Federal grants to cover 50 percent of the cost of local projects.

Question. How large could these projects be?

Answer. The bill limits projects to small- and medium-sized ones through the requirement that a substantial part of a project must be completed within the first 12 months. This rules out any disproportionately large undertaking.

Question. Could a community get these grants for something which is merely a luxury, like a swimming pool?

Answer. That would be impossible under the bill which states that any project aided must "meet an essential need."

Question. How quickly could this program get underway?

Answer. Many projects could be started almost immediately and it is expected that most of the aid would be committed in a matter of 1, 2, or 3 months. Unlike some public works programs in the past, this aid would not be used for very large projects which have a long leadtime. There are a tremendous number of projects which would be eligible that are already fully planned and could be undertaken quickly if this aid were available. A list of about 500 projects in eligible areas, on which planning is completed but construction net yet started, was printed in the CONGRESSIONAL RECORD of July 16, 1962, just as an indication of the backlog which exists.

Question. What kind of local public works could be aided?

Answer. Any local community facility for which Federal loan or grant aid is authorized under existing law, except schools which are not eligible. For example, the grants could be used to help finance water and sewer lines, public buildings, streets and sidewalks, and so forth.

Question. Could low-rent public housing be built with these funds?

Answer. Public housing would not be built under this bill because that program already has ample authorization to carry it for the next 3 years, and the assistance provided in the Housing Act is greater than that authorized in H.R. 10113.

Question. Is this another depressed areas bill?

Answer. While most of the eligible areas are those designated under the Area Redevelopment Act, there is a clear difference in purpose and in the assistance provided. The Area Redevelopment Act is a basic long-term effort to cure fundamental economic problems by creating new private enterprises, or expansion and modernization of existing ones, and requires comprehensive planning as a first step. That law was never intended as a shot-in-the-arm for employment. The public works bill is designed to meet the immediate problem of high unemployment and at the same time build useful community public facilities which will make these communities better places in which to live and help their long-term growth. At the same time this bill will stimulate the entire economy and create jobs throughout the Nation.

Question. What is the difference between this bill and the public facility grant provision in the Area Redevelopment Act?

Answer. The aid for public facilities under Area Redevelopment Act is strictly limited to those projects which are directly related to the creation of new permanent employment, such as a factory. The aid in this bill could be used for the whole range of public works—except schools—which are justified on their own merit.

Question. Won't this $900 million increase the Federal deficit?

Answer. The principal threat to a balanced budget is the danger of a recession. The largest peacetime deficit in our history—$12 billion—came as a result of the 1958 recession. About three-fourths of that resulted from the loss of revenue and most of the rest came from increased expenditures such as temporary unemployment compensation. The economic stimulation that this bill would give would increase Federal revenues. Also, it should be kept in mind that we are currently spending $4 billion a year for unemployment compensation.

Question. Why would this bill authorize matching grants for projects now eligible only for loans?

Answer. Loan assistance may be adequate to meet ordinary community facility needs, but the present circumstances of high unemployment and uncertain economic outlook call for a more direct and effective aid.

Question. Could not the President use the $2.5 billion of unobligated funds under existing programs, such as urban renewal, VA, home loans, farm home loans, and community facilities, so that this bill would not be needed?

Answer. None of these programs would provide the right aid at the right places to meet the present problem of unemployment. Half of that total is for the urban renewal program and urban renewal is necessarily a long and time-consuming undertaking. Moreover, the first object of urban renewal expenditures is the acquisition of land and existing structures, and this does not create employment. The highly successful community facility program authorizes only loans and carries an interest rate of approximately 3¾ percent which simply is not enough aid to stimulate enough additional construction promptly. The home loans for rural areas under the Farmers Home Administration and Veterans' Administration cover many areas which, while lacking sources of private mortgage money, are not necessarily those in which unemployment is serious. Moreover, two-thirds of the VA loans are made to purchase existing homes and thus generate no employment. In contrast, H.R. 10113 is carefully designed to stimulate construction promptly and in areas of greatest need.

THE PUBLIC WORKS COORDINATOR

Question. Is the Office of Public Works Coordination and Acceleration a new idea?

Answer. No; it has been advocated by the Morris-Cook Commission of the Truman administration, both Hoover Commissions, and the Committee on Government Organization in the Eisenhower administration.

Question. Does not some existing agency, such as the Bureau of the Budget, now do the kind of work which the Coordinator would do?

Answer. There is no existing agency charged with the responsibility of coordinating information on public works projects at all levels of Government. Under the previous administration a Presidential assistant was appointed to perform approximately the same function that the Coordinator would have.

Question. Would this Coordinator be some kind of a public works czar?

Answer. He would not. The bill would not give him any operating responsibilities whatsoever. His function would be simply informational and advisory.

Question. Would the Director of the Office of Public Works Coordination determine which projects would be accelerated under the immediate acceleration program?

Answer. He would not. Responsibility for approval of projects would rest with the Federal agencies responsible under existing law for the administration of the programs which construct or provide assistance for the construction of public works. The President would have the responsibility of allocating the funds appropriated under this bill among these operating agencies. The Director would only be an advisory and informational arm of the Congress and the President.

Patriotism in Procurement Scandal Rewarded With Vicious Reprisal

EXTENSION OF REMARKS

OF

HON. EARL WILSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 16, 1962

Mr. WILSON of Indiana. Mr. Speaker, in past reports to my colleagues on the shocking waste that goes on in military departments, I have mentioned the difficulty in securing the cooperation of American industrialists to ferret out wrongdoing and chicanery. I have said pointblank that there is a scandal underneath military procurement that will make Teapot Dome look like a ladies tea party, and I have also said American business is afraid to speak up for fear of reprisals that could ruin any single business. These reprisals come swiftly when the inefficiency and duplicity of a military agency is unveiled for all to see.

Today I want to call the attention of the House—and the entire Nation—to a profoundly disturbing situation that illustrates what I have been contending throughout my own personal procurement study. There is a brazen, callous, and shocking attempt underway right now to retaliate and exact reprisals on a businessman who is a key witness in the Justice Department prosecution of men charged with accepting bribes in exchange for Government contracts. For reference purposes, Members may consult the RECORD for July 13, 1962, and get the full details. Suffice it to say that two of three men arrested were high-ranking civilian officers of the Signal Corps. They were caught with bribe money in their pockets after Electronic Manufacturer Robert Snoyer, cooperating with the Government, paid them bribes in a restaurant. Snoyer patriotically told the FBI about the bribe demand and cooperated to bring the men to justice.

Since the arrests, a preliminary hearing has been held on the case and the men have been ordered held by a U.S. grand jury. Also, since that time, I might inform my colleagues, the FBI has broadened its investigation into the Signal Corps considerably. I want to predict here today, before I proceed any more, that other shocking instances of corruption will soon come to light and will be presented to a grand jury.

This sort of practice, which leads to rigged contracts, fat prices, and fatter profits, is picking the taxpayers' pockets of billions of dollars each year. This is the idea I have been hammering away at for 18 months, and I am going to continue.

Within the past week I have received what to me is stunning information about a development in the FBI's investigation into Signal Corps procurement. It is a development that proves what I have said—the military conducts reprisals against anyone who dares expose its corruption. It is also a development which is outrageous and which threatens the success of any similar investigation in the future.

Mr. Snoyer's firm, which blew the whistle on corrupt Signal Corps officials, is called Consad Corp. of Santa Monica, Calif. I think the Members will agree this firm is entitled to the respect and gratitude of every Member of Congress and of every person in the country for helping uncover the first of the bad apples in the Signal Corps barrel. It should also be entitled to the gratitude of the Signal Corps for helping ferret out this corruption within its own ranks. Instead, Consad Corp. has been harassed repeatedly since the arrests were made. There seems to be a concerted effort to default Consad on a current Government contract and to drive it entirely out of military production.

I should like to take as much time as possible to explain just how these reprisals are being worked. To effect that I asked Mr. Snoyer to give me a complete memorandum on the pressures being exerted, and he has done that. I shall insert his memorandum to me at this point in my remarks, and I shall refer to it as I progress:

THE CONSAD CORP.,
Santa Monica, Calif., August 8, 1962.

Hon. EARL WILSON,
House Office Building,
Washington, D.C.

DEAR SIR: I pass along to you the detailed information relating to the pressures that have been exerted on the Consad Corp. and the undersigned since July 12, the day of the arrest of two U.S. Army Signal Corps employees at Fort Monmouth, N.J. The pressure which has been exerted relates mainly to four contracts held by this corporation: (1) Contract No. 19388-PP-62-C1-41, dated April 25, 1962; equipment description, cable assembly; (2) contract No. 19389-PP-62-C1-41, dated April 25, 1962; equipment description, cable assembly; (3) contract No. 19394-PP-62-C1-41, dated April 27, 1962; equipment description, cable assembly; (4) contract No. 19417-PP-62-C1-41, dated May 25, 1962, equipment description, cable assembly.

For your information, the reason most of these contracts were dated in April is that I visited the Philadelphia Signal Supply Agency and asked why these contracts had not been awarded, since the date of their bid opening, under competitive bid circumstances, had been at least 6 weeks earlier.

From date of award until July 15, 1962, only one communication was received from the Signal Corps. This was a request to change packaging, which resulted in a price increase of $0.04 per unit on one of the assemblies. On July 12, 1962, the arrest of the Signal Corps personnel occurred. On July 16, the Signal Corps requested I visit their facility; and they requested from me the status of these contracts. I advised them that Consad had closed its manufacturing facility and that it planned to subcontract performance of these contracts to a vendor, CleCal Corp., of Van Nuys, Calif. Mr. Weinfield, conracting officer, verbally agreed with this request; however, it was suggested by a Mr. Perkins and concurred in by Mr. Weinfield that they discuss this program with our proposed subcontractor.

On July 17, 1962, Mr. Kreiger, president of CleCal, and the undersigned visited the Signal Corps offices. At that time, several persons were brought into the meeting. They advised Mr. Kreiger that there were approximately 200 specifications that he must have in his possession and adhere to if he were to successfully complete performance of these contracts. They further indicated that it would take them at least 6 weeks to provide him with these initial specifications which were pertinent to the contracts. They further indicated that each of these 200 specifications could contain references to anywhere from 2 to 20 additional specifications; and that he was expected to adhere to all of these requirements. Then, they called in the packaging expert who, in great detail, pointed out the criticalness and complexity of packaging these products. They further indicated that the penalty for default under the contract was severe and that if this material were not produced in accordance with all of this data his future as a contractor could be jeopardized.

To put this into context, the above represented at least 3 solid hours for various Signal Corps personnel on these matters.

After this meeting, Mr. Kreiger indicated to me that he had decided to withdraw from the program in that: (a) It was impossible to obtain the specifications in the time necessary to meet delivery under the contracts; (b) "It was apparent that every rule and regulation would be carefully implemented"; (c) It would cost more "to review the specifications, contractual documentation, and satisfy the quality control personnel than the face value of the contracts."

On July 19, 1962, in accordance with terms of the contracts and a request made by the contracting officer, we submitted a technical action request to the contracting officer. We had, previously, advised him that preproduction assemblies and test data required by the contracts had been submitted directly to Fort Monmouth by one of our subcontractors. We were advised that it was necessary to submit the technical action request outlining this action that we had accomplished. At that point, and time, it was mutually agreed that a reproducible copy of this technical action request would be submitted directly to the Western Regional Office of the Signal Corps, where all of these negotiations had taken place.

On July 19, 1962, this technical action request was submitted. On July 23, we received a telephone call from the production specialist, Mr. Perkins, stating that this technical action request was not adequate. Since I had submitted this type of paper to various agencies over the past 12 years, I was, naturally, surprised that this particular document which simply described the transmittal of preproduction samples was not adequate. When I asked the reasons, I was informed by Mr. Perkins that he did not know but that a Mr. Levine who was the Fort Monmouth representative at the Western Regional Office would call me to tell me.

When I did not receive word the next morning, July 24, I again contacted Mr. Perkins, at which time he indicated that he did not know why Mr. Levine did not call me. Then, I contacted the contracting officer, Mr. Weinfield, who indicated he would look into the matter and advise me. On July 27, 1962, I received a letter dated July 25, 1962, signed by the contracting officer, that set forth four reasons for this rejection. These objections mainly concerned placing the

same information into two areas of the technical action request, instead of indicating a lack of information in the technical action request.

On July 27, 1962, we resubmitted a reproducible copy to the Signal Corps, doing as requested in the original correspondence. We were then advised, upon receipt of this document, that it should not be sent by them but distribution should be made directly as indicated on the form itself. I reminded them of my correspondence of July 23, 1962, addressed to the contracting officer, which confirmed my understanding with them that this should be submitted directly to their office for distribution. They admitted that they had agreed to this verbally, but had changed their minds, indicating that contractually we were required to make this distribution. While I was unable to find this clause in the contract, we did make the distribution, as suggested.

On July 27, 1962, I received a certified letter, return receipt requested, signed by Mr. R. Weinfield, the contracting officer, basically referencing the contracts concerned, and containing the following statements: "Failure to make satisfactory progress may endanger the timely performance on the four following contracts: (These are the ones listed on the first page of this letter).

"It is accordingly requested that the undersigned contracting officer be kept concurrent with your progress in this problem area."

On July 23, 1962, I had advised the contracting officer of our intention to subcontract these contracts to the El-Tek Division of El-Tronics in Hawthorne, Calif., and specifying a change in place of performance of these contracts. This letter was based on confirmation of verbal conversations held between the undersigned and the contracting officer on July 23. On July 24, 1962, I was advised by the proposed new subcontractor, El-Tek, that they had received a call from an unspecified person in the Signal Corps; wherein they had been advised that these contracts were in jeopardy of default and that they should be careful in undertaking a program of this sort. On July 25 or July 26, a survey of El-Tek facilities was conducted by Mr. John Stritch of the Western Regional Office of the Signal Corps. I was advised by Mr. Jacobi, vice president and general manager of El-Tek, that he had never had such a tough survey and that he was told he had quality control problems, and certain other areas of his production department did not appear wholly adequate. On or about July 27, I was advsied by Mr. Jacobi that El-Tek had decided to withdraw from performance of these contracts. The stated reason was that he could not come to a satisfactory financial arrangement with us. This was even though he and I had visited Consad's bank and had received every assurance that funds adequate to cover the value of these contracts, plus $5,800 would be placed in escrow and paid to him upon the shipment of the material under the above-referenced contracts.

On July 30, I requested a very close friend who is a senior executive in the defense industry and who is very close to many personnel in the Western Regional Office of the Signal Corps to call some of his friends to find out what the attitude of that office was to our corporation. He indicated that their position was as follows: "Unless he can find a subcontractor who is so reputable that we can't prossibly criticize him, it is our intention to force a default. If he finds this level of subcontractor, it will cost him enough money, because of high overhead rates, that that payment will be sufficient for our purposes."

Additional correspondence was received on July 31, 1962, from the contracting officer, Mr. R. Weinfield, again indicating potential danger of default.

What we had done, in the meantime, was to seek another subcontractor who could fill the following conditions: (a) Primary business was with another service, other than U.S. Army Signal Corps; (b) cognizance and resident inspection was in the hands of another military department, other than Signal Corps; (c) price to perform said contracts would be in line with our corporation's bid; and (d) technical capability and facilities would be adequate for performance.

We contacted Glentron Systems, Inc., of Sun Valley, Calif., which agreed to undertake these subcontracts. We did not advise the Signal Corps of this action until a firm contract was signed. We did advise Glentron principals of our position with the Signal Corps. They advised us that, since the Air Force was cognizant over their activities and that they had built a considerable number of comparable assemblies for the Air Force, they foresaw little or no problem in harassment by Signal Corps personnel. On July 31, 1962, we formally advised the Signal Corps to change the place of performance from the El-Tek Division of El-Tronics to Glentron Systems, Inc.

Please bear in mind that these assembly jobs require labor which does not exceed more than 10 minutes per unit. At the time all of this correspondence was going back and forth, 90 percent of our material was on hand, and initial deliveries were not due until August 23, 1962. The preproduction samples required by our contracts had been submitted 4 days prior to the contractual due date.

We had not received an answer to our correspondence of June 26, 1962, relating to the packaging, which constituted a delay in the program. We had not received information as to certain inaccuracies in the blueprints and technical data supplied us, upon which performance of one of these contracts is contingent. We had not received any reply other than warnings of possible default to our correspondence of July 23, which requested a contract change for place of performance. As of this date, August 9, 1962, we have not received any information nor any correspondence relating to our request for changing place of performance to Glentron Systems, Inc. We have submitted technical action request relating to preproduction samples, together with the material, and have not received acknowledgment nor any information as to adequacy or inadequacy of these samples. Admittedly, the due date for final testing is August 24, 1962.

On July 30, 1962, I placed a call to Colonel Painter, commanding officer of the Western Regional Office of the Signal Corps, outlining to him the above problems. On July 31, 1962, he called me back and stated he was unable to identify that any of these problems existed.

On July 30, 1962, I was subpenaed to appear at the preliminary hearing on August 1, 1962. I thereupon prepared a letter to General Cook, commanding officer of the U.S. Army Signal Corps, Pentagon, Washington, requesting an audience with him on August 2 or August 3, to state these problems to him; advising Colonel Painter of my intentions. I arrived in Washington on August 2, contacted General Cook's office, was advised that he tried to contact me on August 1 to tell me that he would be out of town on August 2 and 3, but that he would arrange for his deputy commander, Maj. Gen. Howard Scofield, to listen to my statement. I spent from 3 p.m. to 4:30 p.m. with General Scofield, with the following results: (a) He was very grateful and indicated a willingness to always be available to hear problems a contractor was encountering; (b) he had absolutely no command authority over the areas in which I was having my problem and suggested that I go to Philadelphia to discuss the problem; (c) he commented that perhaps I really did not have a problem and that this was mostly hearsay, evidences and documentation that I showed him which might be construed in another manner; (d) he suggested I not go to Philadelphia, but rather, attempt to work with Western Regional Office of the Signal Corps more closely; (e) he was very pleased to see that the contractor was willing to take the risks involved in reporting "alleged violations of the law by employees of the Government," but that he had seen cases wherein they had gone on for several years with the result that the personnel were vindicated; consequently, we could not be positive of guilt or lack of guilt at this time.

This about completes my discussion with the Signal Corps personnel to date on this subject. I must say that I have stated my case to Congressman BELL, Mr. Howard Williams, who is executive assistant to the head of the Criminal Division of the Department of Justice, and to the staff assistant of Senator TOM KUCHEL. They seemed to be more greatly concerned with this harassment and pressure than any of the Signal Corps personnel. Never before in my experience of over 13 years in the defense industry have I seen correspondence which promises contract default 30 days prior to any delivery date, when all material is on hand and a very simple assembly job is involved. Never before have I seen such a careless attitude on the part of senior management in a Department of Defense agency when such thoroughly documented information is presented. Admittedly, we are a very small company and, as such, may not be of great importance to the defense posture. However, we feel that our staff includes some of the most competent technical personnel in the country, at the Ph. D. and subordinate technical levels. Each of us has enjoyed personal success in their endeavors to date, and our work in the past certainly has been accepted by those agencies with whom we have dealt. Never before have I received certified letters with this type of warning included. Never before have so many detailed specifications and obscure restrictions been relayed to me. At any rate, this corporation is presently ahead of schedule on all of these contracts. I continually advised the Signal Corps of the fact of this status. They have been requested to review this in detail, and we have indicated our willingness to cooperate with them in this review relating to internal financial data, production schedules and similar data, which would substantiate our position. The reaction to date to each of these suggestions, as you can see, has been another warning letter.

It is my hope, Congressman WILSON, that by publicizing incidences such as this, that some gain may be obtained by the Government of the United States and the Defense Department in avoiding situations of this type in the future. I fully recognize that this letter can possibly result in even greater pressure being placed upon me by various lower level personnel within the Government agencies. It is my intention, if this happens, to fully exhaust every means at my disposition to bring these matters to light in the full knowledge that this is not representative of the truly dedicated Government executive; hoping that the result of this information will be to eliminate or minimize occurrences of this type in the future. It is my belief, after spending many years in procurement activities on the industry side, that corrective legislature and particularly the improvement of administrative procedure that truly reflect existing laws would be helpful in reducing the costs to the Government of procured equipment in the defense effort. The loopholes and inconsistencies that exist are indeed extensive.

Please consider that the undersigned and resources of our organization, small as they may be, are at your disposal in assisting with the correction of these matters. At

your request, we will be more than happy to detail certain areas which appear to be most flagrant.

Thank you for your assistance and interest.

Sincerely yours,

THE CONSAD CORP.,
ROBERT S. SNOYER,
President.

Now that is Mr. Snoyer's record of treatment his firm has received since he acted as a patriotic American. You will note when you read the memorandum that 2 weeks ago Mr. Snoyer came to Washington to complain to the Signal Corps about this treatment. He talked for 90 minutes with Gen. H. L. Scofield, after being diverted to that officer by the man with whom he actually had an appointment.

What action did he get from Scofield? Well, in my opinion, General Scofield said in effect, "Very interesting, if true. But your problem is outside my area of responsibility now. My main concern these days is with the new Defense Supply Agency. Take your problem up with Signal Supply Headquarters in Philadelphia."

This sort of statement was made by the head of the Signal Corps procurement division. It is an outrage that is absolutely incredible. You might ask why is it happening. I think there are several reasons:

First. Even the honest members of the Signal Corps procurement system apparently feel that this investigation is a blot on their record for they are a part of the procurement mechanism that this manufacturer has helped prove can be perverted for corrupt ends. Apparently honest members of the Signal Corps feel that as originators and administrators of this system, this investigation is a reflection on them. So they are doing everything possible to discredit this firm. It is the old story of "close ranks" and "protect one of your own"—even if your own is crooked.

Second. The stake that the remaining corrupt officials have in discrediting this firm is obvious. The entire electronics industry is watching to see what happens in this case. If this firm can be made an example, if it can be harassed out of the procurement field, it will stand as a lesson to all other contractors. If you blow the whistle on the Signal Corps—or on other corrupt procurement officials in any service—then "you'll get it in the neck." So keep your mouth shut and pay the shakedowns and kickbacks that are often necessary for smaller firms to get Government business.

Mr. Speaker, this situation cannot be permitted to continue. If Signal Corps officials from the chief signal officer, Gen. E. F. Cook, and the chief procurement officer, General Scofield, on down do not put a stop to this—immediately, without equivocation—then we may as well say goodby to all hopes for honesty—and equally important, for economy—in defense procurement. Such action is a blaring invitation for every procurement officer in every service to wheel and deal with impunity, to milk the taxpayers dry by selling defense contracts with under-the-table payments like they were being peddled on an auction block.

I understand that this situation has been brought to the attention of the Justice Department, and that the Attorney General is taking a personal interest in the matter. He is to be congratulated. Someone has to see to it that a firm which does its civic duty—and there are far too few firms willing to take such steps—is not penalized as a result.

I would like to make one thing clear at this point. I am not suggesting that this firm be rewarded for the brave action it took. Nor does this firm expect a reward. All I am asking—and all the Consad Corp. is asking—is that it be treated no differently than any other firm doing business with the Signal Corps. It is entitled to no more, but it is also entitled to no less.

Personally, I intend to demand from the Department of Defense and the Signal Corps a full report on this situation—an explanation why this was permitted to happen and a list of the names of the persons responsible. I also intend to recommend that the General Accounting Office, if possible, act as an impartial arbitrator in this situation to determine whether this firm is being subjected to discriminatory treatment by the Signal Corps' west coast office.

I hope that all other fellow Members of Congress interested in honesty and economy in procurement—and particularly my colleagues from this firm's home State of California—will join with me in calling the public's attention to this shocking situation and in urging the Defense Department to stop this disgraceful conduct on the part of the Army Signal Corps.

I am today directing a letter to Secretary of Defense McNamara asking for a full investigation of this outrage by the Defense Department Intelligence Agency. If the Secretary's performance in this case follows past patterns, do not look for any earthshaking developments. I say this because I have been denied information on military procurement by the Secretary of Defense himself.

To conduct a study such as mine it is necessary to have "before the fact" information on procurements. For some time I was receiving this information from several agencies. Since the findings began to come out, however, and since I have been proving that the taxpayers' money is being thrown to the winds, the Secretary of Defense himself has had me purged from lists to receive such information. He, too, follows the "close ranks against the foe" approach of all the rest of the military.

If this sort of action is typical of the man who has been called the "whiz kid" of the Defense Department, then I think it is time he went back to the Ford Motor Co. where he belongs and we got a Secretary of Defense who will cooperate with the Congress and who will work for the best interests of the American people.

The reason the Defense Department has shut off information to me is the same reason why reprisals are being taken against Consad and others. We are hitting the tender spots. We are uncovering the waste, the inefficiency, and the corruption. In short, Mr. Speaker, we are hitting them where they live, and they are trying to cut me off to stifle my work. I want to state here and now that the Secretary of Defense or no other person can do that, and I shall continue to investigate every example of abusive procurement I can uncover.

That, then, is the report on reprisals against Consad. What is Secretary McNamara going to do about it? Is he going to do anything? I think you will agree that it is indeed a shameful situation and one that should be corrected.

In closing, I want to inform my colleagues that I have just received a report on another phase of my study from the Comptroller General which shows that an American industry received a 100-percent larger profit for making a simple power supply than should have been the case. Next week I intend to spell out the facts in that case, and I think the Justice Department should proceed against the company, demanding return of the excess profits.

SENATE

FRIDAY, AUGUST 17, 1962

(Legislative day of Tuesday, August 14, 1962)

The Senate met at 10 o'clock a.m., on the expiration of the recess, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God, with so much of the earth in fetters of the mind and body, we are grateful for this free land, throned in richness between the seas.

For borders without guns, for frontiers which are swinging gates, for unity in diversity, for peace that holds a continent in its blessed sway, and for equality of opportunity which beckons all to its summits, we lift the Te Deum of our thanksgiving.

May those called by the people's choice to defend our heritage and to administer the affairs of the Nation make daily choice of decisions determined by spiritual integrity amid the corruption that is in the world through the lust of power, that without fear or favor they may contend steadfastly for the right, as Thou dost give them to see the right.

In the name of the Redeemer, we pray. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 16, 1962, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its