

any other religious group in the Soviet Union. Synagogue buildings and seminaries have been padlocked; Jewish cemeteries have been arbitrarily shut down; ritual supplies needed for religious worship cannot be obtained. No Hebrew Bibles or calendars are printed; prayer books are irreplaceable. Means for training rabbis and community workers are inadequate or nonexistent; unlike other religious groups, Jews are not permitted to establish national organizations; Jewish cultural life has been stifled and the once flourishing Yiddish language literature in books, theater, periodicals and newspapers has virtually been wiped out.

As a concerned people, Americans are obliged to speak out when others are oppressed. We do not and will not turn our backs on oppression, whether it exists within our own Nation or in other nations abroad. Since 1840 the United States has protested the persecution of oppressed minorities by foreign governments. Oppression must not be ignored; it must not be dismissed as internal affairs not properly of our concern. For by failing to speak we neglect our duty to mankind.

We have lodged protests and registered our disapproval in a variety of ways. These include direct communication to the governments concerned, recalling U.S. diplomatic representatives for consultation, direct references in the President's annual message to the Congress, termination of a commercial treaty, and the use of indirect action such as joining in multilateral acts of disapproval.

The list of such protests on behalf of Jews is long and honorable. In 1840 the United States condemned the persecution of Jews in Damascus.

In 1870 we urged the Ottoman Government to halt the killing of Jews in Rumania.

In 1877 the United States provided protection to Russian Jews settled in or near

Jerusalem, and emphasized that "the sympathy of the United States for all oppressed peoples in foreign countries has been freely manifested in all cases where it could be done in accordance with the spirit of international courtesy and diplomatic usage."

In the next two decades the United States protested no fewer than nine times against the czarist Russian Government's repressive acts and persecution of Jews. These protests, backed by the American people and by resolutions of the Congress culminated in 1911 when President Taft terminated the Treaty of Commerce with Russia which had been in effect since 1832.

The United States has protested discriminatory action against Jews by Rumania, the Austro-Hungarian Empire, Italy, and Poland. The record of U.S. protests to the Nazi government should still be fresh in our minds.

No policy is more firmly fixed in the conduct of U.S. foreign affairs than this moral imperative to come to the aid of oppressed peoples.

Mr. Secretary, I bring these matters to your attention at this time because silence in the face of oppression only inspires increased oppression. The only reaction during the past 6 months has apparently been silence. This might be justified on the grounds that a major political election absorbed our attention for a short period. But that election is over, and it is time to confront once again the major questions of our time.

Constructive and articulate action is available. I would like to suggest for your consideration two steps which seem to me both reasonable and appropriate.

The first step may seem symbolic but it could have a profound and significant effect both here at home and throughout the free world.

In a few weeks, President Johnson will make his state of the Union address to the Congress. In his remarks on foreign policy, I would humbly suggest that the President seriously consider expressing himself on the specific question of the treatment of Jews in Russia.

I believe that honest comment on this question will receive abundant support from the American people.

As a followup to the President's remarks, I would request that the appropriate steps be taken so that this specific question be referred for review to the United Nations Subcommittee on the Prevention of Discrimination and the Protection of Minorities. I am pleased to note that a subcommittee has been specifically created to deal with questions of this nature.

Mr. Morris Abram, the American representative to this subcommittee, has recently been to Russia and has firsthand knowledge of the situation. I believe he would ably articulate the U.S. attitude on such matters.

Would you kindly inform me as to your reaction to these suggestions and whether or not you would consider them appropriate at this time. Also, what alternative steps are presently under consideration by the State Department, what is being done to bring to this problem the attention and renewed concern which it needs?

Sincerely,

RICHARD S. SCHWEIKER,  
Member of Congress.

Mr. Speaker, I urge that the House act promptly upon measures such as the Schweiker resolutions. I deem it imperative that the people of the United States turn their attention and their action toward elimination of Soviet anti-Semitism. A number of my colleagues are similarly concerned.

## HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 18, 1965

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., used this verse of Scripture, I Corinthians 16:13: *Watch ye, stand fast in the faith, quit you like men, be strong.*

Let us pray.

Almighty God, our Creator and gracious Benefactor, at this morning hour, we are centering our thoughts upon the majesty and might of Thy infinite being and divine sovereignty.

May we find ourselves inspired with a longing for greater nobility of character and a sincere desire to be partners with all who are seeking the well-being and welfare of humanity.

Grant that our life may bear clear and compelling witness that we are striving to emulate in character and conduct the Master's spirit of love and good will.

Help us to feel that the time has come when we must give the virtues of justice and righteousness the place of preeminence in all our human relationships.

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

### THE JOURNAL

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

### COMMITTEE ON PUBLIC WORKS

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Water Pollution of the Public Works Committee may be permitted to meet this afternoon during general debate.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, has this been cleared? I see no one on the minority side present at the moment.

Mr. BOGGS. It has been cleared with the gentleman from Illinois [Mr. ARENDT].

Mr. GROSS. What is the purpose of the subcommittee meeting?

Mr. BOGGS. To consider the water pollution bill, and the request is that the subcommittee may sit during general debate. It has been cleared with the minority.

Mr. GROSS. Mr. Speaker, this request may be renewed. I object at this time.

The SPEAKER. The Chair would request the gentleman to withdraw his request for the time being.

Mr. THOMPSON of Louisiana. Mr. Speaker, there are many out-of-town witnesses to be heard on this very important legislation. It is merely a matter of hearing witnesses. No action will be taken other than that today.

May I ask the gentleman if he would please withdraw his objection.

The SPEAKER. The gentleman suggests that the request be renewed in a few minutes.

### THE HONORABLE CHARLES A. HALLECK

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

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

There was no objection.

Mr. BRAY. Mr. Speaker, tomorrow will mark a historic day in the records of Hoosiers in Congress.

On that day the gentleman from Indiana, Representative CHARLES HALLECK, will set a new record in longevity for any Member of Congress from the Hoosier State. The record as of today is held by William Steele Holman, who was first elected in 1858 and served 30 years, 1 month, and 18 days. His service was not consecutive, however.

CHARLIE, as we all know, has been on the firing line continuously since 1935, and has worked in a variety of party leadership positions. His record is truly a remarkable one, for in Indiana we take our politics seriously and it is not easy to survive the political battles there for so many years.

Having thus established a new record, we all wish for CHARLIE HALLECK the opportunity to add many more years to that record.

Incidentally, the Indiana General Assembly is currently considering a problem which I know many of my colleagues have experienced, or are experiencing now. The legislature is wrestling with the problem of congressional redistricting. The Second District, which CHARLIE has represented so long, may undergo some changes; but I would still bet my money that the 90th Congress will see the name of CHARLES ABRAHAM HALLECK among those representing Indiana.

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

Mr. BRAY. I yield to the gentleman from Oklahoma.

Mr. ALBERT. This is a very appropriate tribute that is being paid by the gentleman from Indiana to one of the great men in the history of this House. The record of CHARLIE HALLECK speaks for itself; it is a record that speaks in a loud voice about his great achievements and great ability. CHARLIE HALLECK's contributions have been far too many to enumerate and are so well recognized as to make it unnecessary to mention them. On this occasion therefore, it is an act of pleasure and personal gratification to join the Indiana delegation in paying tribute to a great leader of the House, whose friendship I have valued for many years.

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

Mr. BRAY. I yield to the gentleman from Indiana.

Mr. ADAIR. Mr. Speaker, I take great pleasure in associating myself with the remarks of my colleague from Indiana. We are indeed proud of the record that our fellow Hoosier CHARLES A. HALLECK has made for his State and his Nation. We share with all Americans the awareness of the capabilities of CHARLIE HALLECK and the dedication he has brought to his service in the Congress of the United States. I wish him many years of continued service here.

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

Mr. BRAY. I yield to the gentleman from Indiana.

Mr. ROUSH. Mr. Speaker, it is axiomatic that records are made to be broken. One particular record is being tied today and will be surpassed within another 24 hours. I refer to the record for tenure of service in this distinguished body by a resident of the State of Indiana.

This record was established in the last century by the late William Steele Holman of Lawrenceburg, Ind., who was the Democratic candidate for a seat in this House in the 36th Congress.

Today his record of 30 years, 1 month, and 19 days in the U.S. House of Representatives will be equaled by the Congressman from Indiana's Second Congressional District, the Honorable CHARLES HALLECK.

It also should be noted that the distinguished gentleman from Rensselaer,

Ind., had a decade of service as a public official before he began his service in this House in the 74th Congress. He was first elected to office as prosecuting attorney for the 30th judicial circuit in Indiana the same year he completed his studies at the Indiana University School of Law and was reelected to that post four times.

This has been a record of distinguished service on behalf of the people of our State and our Nation. I am confident that the Hoosier State is a better State and our Nation is a stronger nation because of Congressman HALLECK's long and effective representation.

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

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

Mr. GERALD R. FORD. I join with our distinguished majority leader in paying tribute to my good friend CHARLIE HALLECK on completing 30 years of dedicated service to the House of Representatives. CHARLIE over the years has been most helpful to me. He has been an outstanding leader in the Republican Party during this period of time. All of us who know him respect him. All of us who work with him are grateful to him for his contributions not only to the Republican Party but to the Nation as a whole. I extend to him my personal congratulations for this fine record of service to his congressional district and his State and the Nation.

Mr. HARVEY of Indiana. Mr. Speaker, will the gentleman yield?

Mr. BRAY. I yield.

Mr. HARVEY of Indiana. It is difficult to give credit properly to a man of CHARLIE HALLECK's caliber. Certainly one of the most commendable traits that I have observed with regard to CHARLIE HALLECK in his congressional service is that he always has said, "I am a citizen of my country first, a Republican second." I feel quite sure that he in his long years of distinguished service has always placed the good of his country first. For that reason, not only has the State of Indiana been the better for his having served in the Congress but the entire United States is likewise better because of CHARLIE HALLECK's distinguished service. He has been a good and helpful friend of mine and I am sure to most other Members of the Congress as well. I hope he will continue to serve many more years in as distinguished a fashion as he has in the past.

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

Mr. BRAY. I yield to the gentleman.

Mr. RONCALIO. Mr. Speaker, in behalf of his many friends in the State of Wyoming, I would like to add my recognition and congratulations to those of my colleagues on this occasion. CHARLIE HALLECK was a great friend of our late Representative Keith Thomson, and has numerous friends in my State.

His record of service over the past 30 years is an example of the highest order to young men of both parties in my State who aspire to a career in the public service. We wish him many happy returns of the day.

## U.S. ALLIES SHIPPING TO COMMUNIST NORTH VIETNAM

Mr. ROGERS of Florida. 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 Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, ships from countries the United States counts as allies have been making regular freight runs for the Communists into North Vietnam.

During the last 6 months of 1964 a total of 201 ships flying the flags of our allies have hauled Red cargoes into the ports of North Vietnam. These allied ships continued calling even though Americans were being killed in increasing numbers by the Communist Vietcong.

While ships from Japan, Greece, Norway, Lebanon, Italy, West Germany, and Panama are among the main offenders, 41 percent of the total allied ship traffic into North Vietnam has been under the British flag.

Only last Friday British Prime Minister Harold Wilson personally called the President to voice England's support for United States actions in Vietnam. An end to British shipping into Vietcong territory would further United States positions in Vietnam.

Cries for negotiated settlement of the Vietnamese crisis are now being heard. The crisis would never have reached this pitch but for the support allied shipping has given the Vietcong.

As a member of the House Merchant Marine and Fisheries Committee I urge the State Department to call for a halt to further free world sea trade with the Communists. The time has come to ask our friends to act like friends.

## BUSINESS TAXES WILL BE CUT \$700 MILLION

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

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

There was no objection.

Mr. HECHLER. Mr. Speaker, I cannot quite understand the reasoning behind the President's statement yesterday that business taxes will be cut by \$700 million, at the same time the President has repeatedly opposed extending the accelerated public works program.

Why cannot this \$700 million tax cut slated for business be applied to a meaningful program which has already demonstrated its success?

Many Members of this body went out to the counties, the towns, the communities in our districts and we showed them how they could raise matching funds for water systems, streets, sewer interceptor lines, parking facilities—none of which are contained in the Appalachian development bill which this House will consider shortly. We urged these communities to get busy and budget or raise the matching funds to improve themselves,



and then the program was choked off with hundreds of millions of dollars worth of unfilled applications on file and ready to go.

Mr. Speaker, we do not have to set up any new bureaucratic machinery to take these projects off the shelf, provide employment, and make these local communities better places to live. The machinery is there, the project applications are in, the local communities have the matching funds—all we have to do is to get started.

I think it is high time that Congress assert itself, express its own will and determination, and if necessary start a little revolution to revive the accelerated public works program. This great coordinate branch of Government should not have to wait 100 percent of the time for a word from the White House.

#### SUBCOMMITTEE OF THE COMMITTEE ON PUBLIC WORKS

Mr. BOGGS. Mr. Speaker, I renew my request of a few minutes ago, and ask unanimous consent that the subcommittee of the Committee on Public Works may be permitted to sit during general debate today.

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

Mr. GERALD R. FORD. Mr. Speaker, reserving the right to object, the minority members of the Committee on Public Works have communicated with me and indicated they would like to discuss the situation. They are on their way to the floor at the present time. Pending such a discussion, I would have to object to the committee being granted such permission.

Mr. BOGGS. Mr. Speaker, I withdraw my request.

#### SUBCOMMITTEE ON ACCOUNTS OF THE COMMITTEE ON HOUSE ADMINISTRATION

Mr. ALBERT. Mr. Speaker, I have two requests, if I may have the attention of the minority leader, for committees to sit. I understand that in both cases the requests have been cleared with the minority members on the committee or subcommittee concerned and with the distinguished minority leader.

Mr. Speaker, I ask unanimous consent that the Subcommittee on Accounts of the House Administration Committee may be permitted to sit during the session of the House today during general debate.

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

There was no objection.

#### SUBCOMMITTEE ON HOSPITALS OF THE COMMITTEE ON VETERANS' AFFAIRS

Mr. ALBERT. Mr. Speaker, I make the same request, on behalf of the gentleman from Texas [Mr. TEAGUE], that the Subcommittee on Hospitals of the Com-

mittee on Veterans' Affairs may be permitted to sit during general debate this afternoon.

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

There was no objection.

#### CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 17]

Abbitt	Grabowski	Nelsen
Ashley	Gray	Nix
Aspinall	Green, Oreg.	O'Brien
Baring	Gubser	Powell
Bell	Hagen, Calif.	Quillen
Betts	Harvey, Mich.	Reinecke
Bolling	Holland	Rhodes, Ariz.
Bolton	Hosmer	Roosevelt
Brademas	Jacobs	Roudebush
Brown, Calif.	Johnson, Calif.	Sisk
Burton, Utah	Kastenmeier	Skubitz
Cabell	King, Calif.	Springer
Cameron	King, N.Y.	Steed
Cederberg	Leggett	Sweeney
Clawson, Del.	Long, La.	Toll
Colmer	Long, Md.	Tunney
Corman	McDowell	Udall
Derwinski	McMillan	Walker, Miss.
Diggs	Macdonald	White, Idaho
Erlenborn	MacGregor	Wilson, Bob
Everett	Matthews	Wilson,
Farnsley	Monagan	Charles H.
Foley	Moorhead	Wright
Gonzalez	Morse	

The SPEAKER. On this rollcall 360 Members have answered to their names, a quorum.

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

#### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may be permitted to sit during general debate this afternoon. I might state that this has been cleared with the minority.

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

There was no objection.

#### SUBCOMMITTEE ON WATER POLLUTION OF THE COMMITTEE ON PUBLIC WORKS

Mr. ALBERT. Mr. Speaker, I renew the request previously made by the gentleman from Louisiana that the subcommittee of the Committee on Public Works considering water pollution may sit while the House is in session and engaged in general debate this afternoon.

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

Mr. GERALD R. FORD. Mr. Speaker, reserving the right to object, I have

consulted with the members of the subcommittee on our side and they feel very strongly that the subcommittee should not meet this afternoon and I would respectfully request the distinguished majority leader to withdraw the request.

Mr. ALBERT. Mr. Speaker, I withdraw the request.

#### INCREASED U.S. PARTICIPATION IN THE INTER-AMERICAN DEVELOPMENT BANK

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 45) to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank.

The motion was agreed to.

#### IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 45, with Mr. GALLAGHER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the gentleman from Texas [Mr. PATMAN] had 1 hour and 45 minutes remaining, and the gentleman from New Jersey [Mr. WIDNALL] had 1 hour and 46 minutes remaining.

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

Mr. PATMAN. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Chairman, H.R. 45 asks our vote of confidence in the Alliance for Progress and in one of its major institutions—the Inter-American Development Bank.

The proposal before us amends the Inter-American Bank Act of 1959 to authorize the U.S. Government to vote in favor of a resolution, pending since April 1964 before the Bank's Board of Governors, entitled "Increase of Resources of the Fund for Special Operations." Upon passage of this legislation, and the adoption of the resolution, the United States would agree to pay into the Bank, earmarked for the Fund for Special Operations—FSO—of the Bank, \$750 million without fiscal year limitations. Pursuant to appropriations, the United States would contribute \$250 million per year to the FSO during fiscal 1965, 1966, and 1967.

The adoption of the resolution before the Bank's Board of Governors calls for an increase equivalent to \$900 million in the resources of the Fund for Special Operations. The countries of Latin America are to add \$150 million in their own currencies to our \$750 million. This means that the expanded Fund for Special Operations will operate for 3 years at a level of \$300 million per year. Without replenishment, the Fund will be empty by April 1965.

This will be the only request the Inter-American Bank will make of the U.S. Government for some years to come. In the ordinary capital operations of the Bank, which provides development funds on conventional hard loan terms similar to those of the World Bank, it is able to borrow the funds it needs in the capital markets of the world. This is an indication of the respect in which the Bank is held by private investors.

Nor will the United States continue to make any further contributions to the Social Progress Trust Fund, to which it has contributed \$525 million. This Fund was established entirely by the United States for the purpose of making loans on relatively easy repayment terms for limited use in four important areas of social development: Low-cost housing, water supply and sanitation, advanced education, and land resettlement and improved land use. Since mid-1961 the Bank has acted as administrator of the Social Progress Trust Fund—SPTF—on behalf of the United States.

In addition to administering the SPTF, the Bank had a soft loan program of its own, known as the Fund for Special Operations—FSO. The purpose of this Fund has been to make financing possible where, for balance of payments or other reasons, lending on the conventional terms of the ordinary capital operations was not appropriate. The FSO loans are made on relatively easy repayment terms from resources provided by both the United States and the Latin American members of the Bank. In the past the United States has contributed \$150 million to this Fund and the Latin Americans the equivalent of \$69 million—a total of \$219 million.

The proposal now before us would result in combining the two soft loan funds—the FSO and the SPTF—into an expanded FSO. The expanded FSO would provide essential financial assistance on relatively easy repayment terms, where necessary, for high priority projects such as roads, dams, water facilities and industrial development projects, as well as for social programs in the fields of low-income housing, improved land utilization, land resettlement schemes, agricultural credit, water and sewage, and education in technical and managerial skills.

The Alliance for Progress is no longer a dream but a reality. Its record is impressive.

Since 1961, 9 countries have undertaken major tax reform, 12 countries have land reform laws. Every Alliance country has improved its tax system or tax administration, and 10 countries have produced national development plans or sector investment programs. Other country programs are nearing completion.

Fifteen countries have self-help housing programs, and more than 300,000 dwelling units have been completed or are nearing completion. Water supply and sewage systems serving 15 million people have been completed.

More than 75,000 teachers have been trained, nearly 10 million schoolbooks have been circulated, and more than 12 million schoolchildren are partici-

pating in school lunch programs. All told, more than 24 million people have been fed in 1964; and nearly 300,000 agricultural credit loans have been extended.

We have been assured by officials of the Department of State and the Treasury, and by our representatives in the Alliance for Progress and the Inter-American Development Bank, that the merger of the Social Progress Trust Fund into the expanded Fund for Special Operations will in no way decrease the emphasis which has heretofore been placed on the importance of the social aspects of development. The first and most obvious reason for combining the FSO and the SPTF is the improvement in administration that will occur. Equally important is that under the SPTF the United States was the only contributor and that, though the other countries benefited, they lacked a feeling of genuine participation and responsibility. This will now be overcome. But probably the most important reason for combining the two funds is that as the Latin American countries move forward in their development, the distinction between social and economic will become more difficult to maintain and will not justify two separate funds. In the future much of that which will have to be done will be both social and economic at the same time. For instance, major efforts must be made to create more job opportunities and to make sure that productivity rises in the new and in the existing jobs. This will be necessary in order to permit the workers in the cities and in the rural areas to earn income adequate to purchase and maintain homes and farms and to pay the necessary taxes for the upkeep of the schools, hospitals, and water and sewage facilities which are built.

The Bank has requested funds to enable the expanded FSO to run for 3 years at a level of \$300 million a year. The request has been supported by careful study by the very able Committee for the Alliance for Progress—CIAP—by the program office of the Bank, and by our own Government agencies. The highest level of loan commitments the Bank ever reached from the two soft loan windows was \$246.7 million back in 1962, when adequate funds were available to consider all sound projects. Since then the Bank has had to restrain its activity and to stretch out its funds as much as possible. In 1964, it was able to commit only \$135.3 million.

With assurance of \$300 million per year for 3 years, the expanded FSO should have no difficulty in processing that volume of projects. The U.S. Executive Director of the Bank submitted a statement to our committee which read in part as follows:

There are several reasons why the Inter-American Development Bank will be able to use effectively the full amount requested:

1. All the countries of Latin America have drawn up economic and social development plans in which their needs and financial resources are systematically analyzed and priorities are established. These plans in turn will give rise to specific projects and programs, all of which will require complementary external financing if they are to

be carried out. Many of such projects are ready and others are now being prepared.

2. The Alliance for Progress has brought home to the governments of Latin America the absolute necessity of taking steps to raise the standards of living of their peoples if violent social upheavals are to be avoided. Most of them are now convinced of the urgency of action in the social field and are prepared to devote an increasing volume of public resources to it. This greater recognition of the problem will also result in an increased number of loan applications.

3. The experience which the staff of the Inter-American Development Bank has gained since its inception in 1960 will enable it to undertake projects and programs of larger scope than heretofore. By the same token it will be able to speed up the processing of loans.

4. Administrative improvements have taken place over the last few years in the Latin American governmental agencies which are responsible for preparing economic and social studies and programs. The capacity of operating agencies in these fields has also been strengthened, thereby increasing their ability to utilize financial assistance.

Mr. Chairman, I should like to point out that the United States, with its 42-percent vote on all projects, has an effective veto, as each project approval requires a two-thirds vote. A careful scrutiny is given each project by the representatives of the U.S. Government.

The proposed expansion of the FSO is to be accomplished with \$750 million from the United States and \$150 million from the Latin American countries in their own currencies. This is a ratio of 5 to 1. It is a more favorable ratio to the United States than existed previously when one combines the operations of the present FSO and SPTF. The United States provided all the funds available to the Social Progress Trust Fund, \$525 million; the Latin American countries, none. To the Fund for Special Operations both the United States and the Latin American countries contributed, the United States \$150 million and the other countries \$69 million. Thus the Latin American countries contributed \$69 million in total, less than 10 percent of the operations of the two soft loan windows of the Bank. To the new merged Fund, the expanded FSO, they are being called upon to contribute \$150 million. Thus they will be contributing twice as much on an overall basis as they did formerly.

Concentrating, however, merely on the ratio between the United States and the Latin American contributions to the Bank can be very misleading. The real comparison comes when one considers the total cost of the projects that the Bank makes possible, and when one realizes that the Bank pays on the average only a little more than 44 percent of that cost. The remainder is paid by the sponsors of the project. And of the 44 percent the Bank provides, about 10 percent has come from the contribution which the local government made to the Bank. In the future 16 percent will come from the local government's share in the expanded FSO.

If one analyzes the past, when the local government provided only 10 percent of the Bank's share, the figures are surprising. Through December 31, 1964, the Bank made possible, through its two soft



loan windows, \$1,400 million in projects, of which the Bank's share in the cost was \$621 million. Of that latter figure \$569 million was provided by the United States. The total of other contributions—the remainder—was \$830 million. That is 60 percent of the cost of the projects. Thus it is proper to say that in the past, through its contributions to the two soft loan windows of the Bank, the United States paid 40 percent of the cost of the projects which it approved.

What will be the effect on our balance of payments of this proposed contribution of \$250 million per year to the expanded FSO? The answer is: practically none. Of all our aid programs, the IADB most effectively protects our payments position.

Under the rules of the Bank, all the funds contributed by the United States will be restricted to purchases of material here in the United States or in the Latin American countries. Whenever currencies are used for local purposes, a letter of credit will be set up. Our dollars will be put into that letter of credit account, and will be used only for payment of exports from the United States.

Neither the dollars to pay for goods and services produced in the United States, nor those used to finance the payment for goods and services in the country where the project is located, ever leave the United States. Even when the dollars are used to acquire currency for local financing, the dollars are made available through a special letter of credit which may be drawn on only for purchases in the United States of goods for export. The dollars are paid to the U.S. suppliers.

The sole exception to this protection of dollars comes when the country of the project chooses to buy some of what the project needs in another member country. In such cases, the third country is as likely to use the dollars it earns to buy from the United States as it is from Western Europe. Less than 10 percent of the dollars made available find their way to third Latin American countries. Of that, no more than half is likely to be used for purchases in countries that might be in a position to call upon the United States to make redemption in gold.

Thus, some 95 percent of the \$250 million will be used directly or indirectly to purchase goods and services in the United States. No more than 5 percent of the dollars might find their way into the hands of countries who would be in a position, because of the excess of dollars they hold, to call upon us for payments in gold. That 5 percent is equal to only \$12,500,000 per year. That possible leakage is certainly not enough to turn us away from our declared task of helping to develop healthy neighbors for ourselves in Latin America. To save those \$12.5 million of free dollars from getting into the wrong hands, we would have to cut our assistance to Latin America by \$250 million and our exports of American goods and services by \$237.5 million. Now is no time for us to forsake the Alliance for Progress.

Eighteen of the nineteen members of the alliance have ratified this agreement. Let us add the approval of the United States.

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

Mr. REUSS. Yes. I am glad to yield to the gentleman from North Carolina.

Mr. JONAS. I have listened with interest to the comment of the gentleman from Wisconsin. I am a little confused because I read on page 3 of the report that the Fund for Special Operations which is involved here—am I correct in that—is a fund out of which easy loans are made bearing a low rate of interest and providing for maturities over a period of 20 to 30 years. Did I misunderstand the gentleman, or did he intend to say to the committee, that most of this capital, which will be paid into this Fund—the additional \$900 million, \$750 million from us and \$150 million from the other participating countries—that those loans will all be used to purchase goods in the United States?

Mr. REUSS. That is correct. Yes; the gentleman understood the gentleman from Wisconsin correctly. This is true, and it is what makes it such an extremely favorable arrangement for the United States. We have been able to insert right into the basic law, into the charter of the Inter-American Development Bank, a firm agreement which has been, and which will be, religiously adhered to, that all goods purchased under this loan program must be U.S. goods.

Mr. JONAS. Now, do the loans all involve purchase of goods? I thought this Fund is used to make loans for economic and social development and this of course does not at all involve the purchase of consumer goods but involves the use of money in the borrowing countries.

Mr. REUSS. The gentleman is exactly right. Let me explain how it works, and I appreciate this opportunity to do so. Let us take a public works project in, let us say, Chile. The equipment for that public works project, the generator and the turbines and the steel, would all have to be purchased in the United States. It could not be purchased in Europe or Japan or anywhere else.

But, as the gentleman correctly points out, the total cost of such a project involves additional items to straight imports. It involves, for instance, labor on the project. This is how this is taken care of. For every dollar we give to supporting a local cost such as labor on the project, we issue a letter of credit which is usable only in the United States, so that we assure not only that the dollars will actually buy physical goods in the first instance in the United States, such as turbines and generators, but also that the dollars used for so-called local currency costs are also the subject of procurement in the United States. The significant thing, I point out to the gentleman from North Carolina, is that the United States traditionally, and happily for us, runs a huge trade surplus with Latin America. Dollars are very scarce. Equally true, Latin America today itself runs a trade surplus with western Europe. Europe has a deficit with Latin America. This means that

Latin America is so desperately in need of dollars that when we give them the high privilege of using this letter of credit to buy dollar goods in America, they jump at the chance because they are laboring under a big dollar deficit.

So it is literally true, as the gentleman from Wisconsin said a moment ago, that the tying of goods to achieve a favorable balance-of-payments effect in connection with this Inter-American Development Bank program is the best and most successful that we do anywhere in our program.

Mr. JONAS. Mr. Chairman, may I ask the gentleman another question?

Mr. REUSS. Of course.

Mr. JONAS. Our payments of additional capital—that is what this is?

Mr. REUSS. That is correct.

Mr. JONAS. Is it payable in gold?

Mr. REUSS. It is in no way payable in gold. It is payable in a dollar IOU which we give, if Congress agrees, to the Inter-American Development Bank and this, then, is the subject of procurement in the United States. So what it means in effect is that the United States Government writes a check to a manufacturing corporation in North Carolina to validate an order which it has received from Latin America.

Mr. JONAS. I ask that question because I read on page 1 of the report which was circulated just yesterday, that the callable capital is payable in gold. This would not be similar to the callable capital?

Mr. REUSS. No, sir; this is entirely a dollar contribution. Callable capital is in no way involved in this legislation.

Mr. JONAS. I thank the gentleman. However, I point out in the "Summary of Activities" issued by the Bank as of December 31, 1964, states on page 1 that the United States is "scheduled to subscribe an additional \$205,880,000 to the callable capital during the current calendar year."

Mr. REUSS. As is indicated in hearings, page 205, the likelihood of this subscription's being called is remote.

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

Mr. REUSS. I yield to the gentleman from Tennessee.

Mr. BROCK. Perhaps I misunderstood the gentleman, but I thought I heard him say that we had a favorable balance with Latin America. I believe the gentleman will find that in 1963 our exports to Latin America were \$3.1 billion and our imports were in the amount of \$3.5 billion, so we had an unfavorable balance in the amount of \$400 million.

Mr. REUSS. For that year take Venezuela out. That was almost entirely due to Venezuelan oil imports; take Venezuela out of it.

Mr. BROCK. If I may follow my thought further, Venezuela is in Latin America, it is a participant under this bank, and the same situation existed in 1962 when we had exports of \$3.2 billion, imports of \$3.4 billion, and thus an unfavorable balance of \$200 million.

Mr. REUSS. Take Venezuela and its oil imports out; as to the other 19 countries we enjoy a very favorable trade balance with them and equally Europe

enjoys, or does not enjoy, a trade deficit with them.

Mr. Chairman, I include at this point a part of the committee report:

**INCREASED U.S. PARTICIPATION IN THE INTER-AMERICAN DEVELOPMENT BANK**

The Committee on Banking and Currency, to whom was referred the bill (H.R. 45) to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank, having considered the same, report favorably thereon with an amendment and recommend that the bill, as amended, do pass.

The amendment is as follows:

On the first page, strike out line 3 and all that follows down through page 2, line 3, and insert in lieu thereof the following:

That the Inter-American Development Bank Act

**1. PURPOSE OF THE BILL**

United States participation in the Inter-American Development Bank (hereafter referred to as the "Bank") was authorized in the Inter-American Development Bank Act of 1959. This bill amends the act to authorize the U.S. Governor of the Bank to vote in favor of the resolution entitled "Increase of Resources of the Fund for Special Operations." Upon passage of this legislation, and adoption of the resolution, the United States would agree to pay into the Bank, earmarked for the Fund for Special Operations (FSO) of the Bank, \$750 million—without fiscal year limitations. Pursuant to appropriations, the United States would contribute \$250 million per year to the expanded FSO during fiscal 1965, 1966, and 1967. Following the appropriation by Congress of each year's installment, the annual U.S. contribution would be made in the form of a letter of credit. This procedure will prevail so as to bring U.S. budgetary expenditures for the program more closely into line with actual use of the funds by the FSO. In total, adoption of the resolution would call for an increase equivalent to \$900 million in the resources of the Fund for Special Operations—\$150 million equivalent to be provided by the Latin American participants in the Bank over the same 3-year period.

**2. THE PRESIDENT'S MESSAGE ON FOREIGN AID**

In the message from the President of the United States relative to foreign aid, January 14, 1965, the President had the following to say about the Inter-American Development Bank:

"To strengthen multinational aid, and further to strengthen the Alliance for Progress, I urge the Congress promptly to approve the 3-year authorization of \$750 million which constitutes the U.S. contribution to the Fund for Special Operations of the Inter-American Development Bank."

**3. BACKGROUND**

The Bank was created by the members of the Organization of American States. Its official existence dates from December 30, 1959. The main purpose of the Bank is to assist in accelerating economic and social development in the Latin American Republics by providing capital, technical assistance, and encouraging private investment in development projects. Since its creation, the Bank has become the banking instrument of the Alliance for Progress program.

The Bank has to date operated with the use of three separate and distinct funds:

1. The first of these, the ordinary capital fund, provides development funds on conventional terms in much the same way as does the International Bank for Reconstruction and Development (World Bank). The ordinary capital fund began its operations with subscriptions from member countries

of the Bank but now also obtains funds for this account from private financial markets in various parts of the world.

It is to the Bank's credit that in the short period since its existence it has become recognized as a prudent investment by private investors not only in the United States but in Western Europe. Between 1962 and 1964 it has issued bonds in the amount of \$272.6 million. Three of these issues were made in the United States and one each in Italy, Germany, and England. The Bank's securities are legal investments for all U.S. National and State member banks of the Federal Reserve System, for other commercial banks in 47 States and the District of Columbia, and in general the Bank's securities are legal investments for most other types of financial institutions in most of the States in the country.

2. The second fund is the Bank's Fund for Special Operations (FSO). The purpose of this fund is to offer financing where, for balance of payments or other reasons, lending on conventional terms is not appropriate. The FSO loans are made on relatively easy repayment terms entirely from resources provided by the United States and Latin American members of the Bank.

3. Since mid-1961 the Bank has acted as an administrator of the Social Progress Trust Fund (SPTF). This is the Bank's third fund. This fund amounts to \$525 million, all of which has been provided by the United States. Loans from the SPTF are repayable on relatively easy terms and are limited to the four important areas of social development; namely, water supply and sanitation, advanced education, housing, and land settlement and improved land use.

**4. OPERATIONS OF THE IDB**

Since its first loan in early 1961, the IDB has committed over \$1 billion for high priority economic and social development purposes in Latin America. Cuba cannot receive IDB loans because it is not a member of the Bank nor is it eligible to become a member.

In serving as the "Bank of the Alliance," the IDB has operated through three "windows" (the latter two of which would be combined in effect under the present proposal):

"Ordinary capital, from which are made loans on hard terms similar to loans of the World Bank. Ordinarily capital resources consist of \$382 million of subscriptions by the Bank's member governments—including \$150 million from the United States—payable half in dollars and half in national currencies, and of funds borrowed by the Bank in private financial markets. These latter funds currently total \$273 million, and are obtained under the umbrella of a guarantee in the form of further callable capital subscriptions of governments. Through December 31, 1964, 108 loans amounting to \$545 million had been made from ordinary capital in 17 Latin American countries.

"Fund for Special Operations, from which are made loans for economic and social development on easy repayment terms; i.e., 4 percent interest, repayment either in the currency lent or in the currency of the borrower, maturities of 20 to 30 years. The FSO's resources consist of \$219 million contributed by governments—\$150 million from the United States. Of this amount, \$171 million had been committed on 51 loans in Latin America by December 31, 1964.

"Social Progress Trust Fund, from which are made loans in four specified fields of housing, water and sanitation facilities, education and land use, on terms calling for repayment in local currencies over periods up to 30 years with interest and charges amounting to 2 to 3½ percent, including a service charge of three-fourths of 1 percent in dollars. The capital of the SPTF was

provided entirely by the United States, and totals \$525 million. Through December 31, 1964, 102 loan commitments had been made from the SPTF for \$450 million."

Thus, out of the combined existing resources of \$755 million of the FSO and SPTF, \$621 million has already been committed, leaving a balance available of \$123 million in various currencies. Of the dollar portion of the existing combined resources, only about \$80 million is effectively available for new loan commitments. In terms of the projected dollar lending rate for the expanded FSO, this balance would permit continued operations only through April of this year.

The Bank further estimates a projected annual lending rate in the future of the equivalent of \$300 million. This accounts for the current request under consideration—a U.S. contribution to the FSO account of in effect \$250 million per year over the next 3 years with an equivalent amount of \$50 million per year to be provided by the Latin American member countries.

**5. PROPOSED CONSOLIDATION OF THE SPTF AND FSO ACCOUNTS**

The effect of this legislation authorizing U.S. approval of the proposed resolution mentioned above will provide for agreement by the United States and other country participants to consolidate the SPTF and FSO accounts. The reason behind this desire as stated by the Secretary of the Treasury is as follows:

"After approximately 2 years of operations with its three windows, the IDB's Board of Governors concluded that the Bank had reached a point in its development at which it would be appropriate to consider the simplification and strengthening of its structure. Moreover, it was evident that the scope and importance of the financing operations carried on by the Bank on an easy repayment basis would soon require major additions to the amount of capital available for these purposes. Accordingly, at the fourth annual meeting in Caracas, Venezuela, in April 1963, the Governors asked the Executive Directors to prepare a study of the future relationships of the FSO to other activities of the Bank and also of the sufficiency of the Fund's resources.

"The study occupied about a year, and at the annual meeting held in Panama this past April, the Executive Directors reported to the Governors recommending an expansion of the resources of the FSO and a broadening of its functions to include those previously carried on by the SPTF. The recommendation assumed that, concurrent with the expansion of the FSO, the United States would discontinue further contributions to the SPTF. I have made it clear to the other Governors that this would in fact be the case. Thus, the Bank's existing three windows would be reduced to two. One—the ordinary capital, obtaining its funds in the private capital markets—would make loans on conventional repayment terms; the other—the FSO, obtaining its funds from member contributions—would make loans on easy repayment terms. This arrangement would be quite similar to that of the World Bank and IDA.

"The advantage of such a consolidation of functions within the Bank is readily apparent. Administration will be more efficient and economical. The pattern of loan terms offered by the Bank will be more uniform, and the countries borrowing from the Bank will find that loan procedures are simpler and more understandable. From the U.S. point of view, the expansion of the FSO to include the functions of the SPTF—and the termination of further contributions to the SPTF—means that funds hitherto provided entirely by the United States will hereafter be provided in part by the Latin American countries."



#### 6. IMPORTANCE OF MAINTAINING THE AIMS OF THE SOCIAL PROGRESS TRUST FUND

The committee, while agreeing that greater efficiencies would be achieved by consolidating the FSO and SPTF, believe that the SPTF objectives should in no way be submerged or diminished under the new proposed operation of the Bank.

All Government witnesses gave complete assurances that that would not be the case. The Assistant Secretary of State for Inter-American Affairs and the U.S. Coordinator for the Alliance for Progress, the Honorable Thomas C. Mann, stated to the committee:

"The proposed merger of the Fund for Special Operations and the Social Progress Trust Fund will not mean that the attention of either the United States or the Latin Americans is going to shift from housing, water supply, education, and agriculture. We expect these will remain priority areas of development programming."

Further, the Acting Secretary of State, the Honorable George W. Ball, made this remark on this point:

"With the increased resources made available by the proposed bill the Fund for Special Operations would undertake not only its present form of lending; it would also finance projects now financed from the Social Progress Trust Fund. These projects are in the areas of social development, water supply, and sanitation; advanced education; housing and land settlement; and improved land use."

Finally, Secretary of the Treasury and the U.S. Governor of the Bank, the Honorable Douglas Dillon, took this position with the committee:

"The operations of the expanded FSO will follow closely many of the patterns and practices successfully established in the past by the separate operations of the FSO and the SPTF. The expanded FSO will continue to provide essential financial assistance for high-priority development projects in the economies of the Latin American members of the IDB. The type of projects which will be financed include—in addition to such basic projects as roads, dams, water facilities, and industrial development projects—programs in the fields of low-income housing, improved land utilization, land settlement schemes, and agricultural credit programs. It is also expected that the Bank through the FSO will furnish assistance for the expansion of higher education facilities in Latin America by making loans to provide for the construction and equipment of facilities at universities and technical institutions. These loans will provide training in the technical and managerial skills so desperately needed if Latin America is to achieve meaningful development of its society and resources. Technical assistance loans and the financing of studies of basic sectors of the economy will also be provided."

To reiterate, in agreeing to a consolidation of the two funds (FSO and SPTF), it is the intent of the Banking and Currency Committee that the objectives of the Social Progress Trust Fund shall continue to be served. The committee emphasizes that, in proposing the Alliance for Progress on March 31, 1961, President Kennedy called for "a vast cooperative effort, unparalleled in magnitude and nobility of purpose, to satisfy the basic needs of the American people for homes, work and land, health and schools."

#### 7. ADVANTAGES OF COMBINING THE FSO AND THE SPTF

The witnesses who appeared before the committee made a persuasive case for combining the FSO and the SPTF. The first and most obvious reason is the improvement in administration that will result. Equally important is that under the SPTF the United

States was the only contributor to a very important field of activity. The countries of Latin America had no sense of participation and no responsibility. The Bank administered the Fund on behalf of the United States. This will change when the FSO and SPTF are combined and the Latin American countries make substantial contributions to the joint Fund.

Probably the most important reason for combining the two Funds is that as the countries move forward in their development, the distinction between social and economic will become more difficult to see.

As Mr. Mann, Assistant Secretary of State, pointed out:

"In the years ahead social and economic progress must move forward together. There cannot be one without the other. Let me put this problem in more graphic terms. If a man is to have a better life, he needs a better home, a sanitary water supply, and good health facilities—but he also needs a job. Under the Alliance, we can and do build houses, sewer systems, and hospitals, but if the people using them do not have jobs—either because the jobs do not exist or the people are not qualified—then we have gone only part of the way along the road. What we are seeking is the balance in our assistance programs which is necessary for the kind of social, economic, and political development called for by the Charter of Punta del Este."

The implications are that in the future much will have to be done which is both social and economic at the same time. As pointed out a major effort must be made to create more jobs and to make sure that the workers on the new and the existing jobs are productive enough to earn sufficient income to purchase and maintain homes, and to pay the taxes necessary to maintain the schools, hospitals, and water and sewage facilities which are built.

The committee heard persuasive testimony on the need for action in fields such as cooperative housing and research and education in agriculture. It commends to the Bank careful consideration of the suggestions made.

The committee also recommends that the Bank adopt flexible policies in regard to interest rates and terms of repayment, taking into account the nature of the project and the capacity of the country to repay. Some of the previous SPTF type projects may still require low interest rates and long periods of repayment to make them possible. On the other hand, some countries may be able and willing to repay part of the principal and interest on some of their projects in dollars rather than in local currency.

#### 8. U.S. BALANCE OF PAYMENTS

In recognition of the present serious balance-of-payments opposition of the United States, the committee gave this question its close scrutiny.

In the past, funds contributed to the FSO were made available to borrowers for procurement on a worldwide basis, as permitted by the Bank's articles of agreement. In the SPTF, however, special arrangements were worked out by the executive branch with the Bank which, with limited exceptions, tied all dollars made available to SPTF to purchases in the United States. This will now be done with the \$750 million for the expanded FSO. Under the new proposal, the entire contribution of the United States to the expanded FSO would be regarded as a national currency contribution governed by the provisions of article V, section 1(c) of the articles of agreement. These provisions permit the United States to tie its contribution to the purchase of goods and services produced here.

As soon as the U.S. contribution is made, the United States will take full advantage of the provision of article V, section 1(c) thus

applying to the new funds the same procedure as is now applicable to the SPTF. Under it, the U.S. contribution may be used only for expenditures in the United States or in the borrowing country. When funds are used to acquire currency for local financing, the dollars are made available through a special letter of credit which may be drawn on only for purchases in the United States. Secretary Dillon, in the following response to a question, assured the committee that the impact of the contribution on the U.S. balance of payments will be minimal:

"Secretary DILLON. This should have very little effect [on our balance of payments] because under the rules of the Bank and arrangements that apply, all the funds contributed by the United States will be restricted to purchases of material here in the United States or in the country to which the loan is made, and under exceptional circumstances, possibly in other Latin American countries. Whenever currencies are used for local purposes, a letter of credit will be set up, and the dollars will be put into that letter of credit account and will be used only for payment of exports from the United States. So the general impression is that about close to 90 percent, well over 80 percent of these funds, will eventually be spent in the United States."

#### 9. THE LEVEL OF THE REQUEST

The committee carefully questioned the Government witnesses on the level of the request for new funds, \$750 million for the fiscal years 1965, 1966, and 1967 from the United States and \$150 million in their own currencies, from the Latin American countries. It satisfied itself that the request was sound.

The request for the expanded FSO exceeds the amounts that were committed in previous years by the FSO and the SPTF, which are hereafter to be merged. The Secretary of the Treasury testified on the past combined lending volume of the two funds:

"In 1961, which was the first year of operations, it was \$159.3 million. In 1962 when more funds were available, it amounted to \$246.7 million. In 1963, when the Bank temporarily ran out of funds in this area due to delays in appropriations—the appropriation was not made until the beginning of 1964 for 1963—this fell sharply to \$79.6 million. In 1964 it built up again, although once again the appropriation we are talking about was not made when it was expected. The funds were not available on the 31st of December as expected so they had to delay and stretch out their funds as much as they could, so the total grew to \$135.3 million in 1964."

Thus the operations of the two soft loan windows of the Bank were limited by the shortage of funds and their irregular availability. With \$300 million available per year for 3 years, the witnesses were convinced that the expanded FSO would have no difficulty in processing that volume of projects. Similarly the countries, which have now learned how to develop sound projects and applications are now able to present to the Bank a more than adequate volume of acceptable projects from which it could choose those which best accomplish the purposes of the Alliance for Progress. The Secretary of the Treasury stated:

"There is no doubt at all, based on the projects that come into the Bank, that they can process, and process successfully, a volume of about \$300 million a year if they know they have those funds available and if they are not given them on an irregular basis."

#### 10. THE RATIO OF THE U.S. CONTRIBUTION

The proposed expansion of the FSO is to be accomplished with \$750 million from the United States and \$150 million from the Latin

American countries in their own currencies. This is a ratio of 5 to 1.

The committee scrutinized this ratio and found it reasonable. It is a more favorable ratio to the United States than existed previously when one considers the present FSO and SPITF together. The United States provided all the funds, the \$525 million, available for the Social Progress Trust Fund. There was no contribution from the Latin American countries for this very important aspect of the Bank's work. There will be in the future in the merged operation.

To the Fund for Special Operations the Latin American countries made proportionately a substantial contribution of nearly one-third—\$69 million out of \$219 million. The FSO, however, is a much smaller fund than the SPITF and the ratio drops markedly when the funds are combined. The Secretary of the Treasury analyzed the past combined and the future contributions as follows:

"The Latin American countries have contributed a total of \$69 million or somewhat less than 10 percent. This time they are contributing \$150 million out of \$900 million, or something like 16 percent. They are contributing more than twice as much on an overall basis as they did in the past."

#### 11. U.S. INFLUENCE ON FSO POLICY

The proposed expansion of the FSO represents a significant increase in the amount of U.S. development assistance to Latin America which is channeled through multilateral institutions. Although the IDB acted as administrator of \$525 million of U.S. resources constituting the SPITF, it did so in accordance with a specific bilateral agreement with the United States which specified the policies applicable to the use of the funds. The new resources of \$250 million per year for 3 years, in contrast, will be made available as part of the capital structure of the Bank. The committee took pains to assure itself that the policy interests of the United States would be adequately safeguarded in the administration of the new money.

Like the other major international financial institutions, the Inter-American Bank operates in the principle of weighted voting by its member governments. The United States is represented in the Bank by the Secretary of the Treasury and U.S. Governor and by a U.S.-appointed Executive Director on the eight-man Board of Directors. These officials cast a weighted vote which is proportioned to the U.S. subscription to the Bank's capital. The U.S. share of the total vote is 41.8 percent. In the FSO, all votes on operational matters require a two-thirds majority. It is thus immediately apparent that, should the necessity arise, the United States would be in a position to veto any proposed action that ran counter to an important U.S. policy interest. It is also the case that, even in the absence of formal voting, as the major contributor the policy role of the United States in the Bank's affairs is an important one.

The U.S. representatives in the Bank are guided in the positions they take by the advice of the National Advisory Council on International Monetary and Financial Problems, a Cabinet-level committee created by the Congress in 1945 and chaired by the Secretary of the Treasury. The Council keeps under review U.S. participation in the Bank; it has specifically reviewed the present proposal and forwarded to the Congress a unanimous report favoring this legislation. There is excellent day-to-day contact at the technical level between the Bank staff, located here in Washington, and the Agency for International Development, the Export-Import Bank, and the World Bank.

Members of this committee have served on the U.S. delegations to the annual meetings of the governors of the Bank and the

liaison between the executive branch and the Congress with respect to Bank policies is entirely satisfactory. The committee is therefore satisfied that the institutional arrangements for voting within the Bank are adequate to insure the protection of U.S. policy interests and that the relationships within the U.S. Government and between it and the Bank tend to promote a consensus of policy which is aimed at the achievement of Alliance goals.

#### 12. MAINTENANCE OF VALUE

During the hearings on H.R. 45 concern was expressed over the maintenance of value of the loans to be made under the expanded Fund for Special Operations. Section 4.07 of the Social Progress Trust Fund Agreement provides that loans made from this fund may be repayable in the currencies of the borrower. All loans of dollars, the agreement states, are to be denominated in dollars and the administrator of the Fund is to insure that repayments by the borrower are equivalent in value to the dollar-denominated amount due.

Government witnesses stated that a maintenance of value clause would still prevail under the new consolidated arrangement since article 5, section 3 of the agreement establishing the Inter-American Development Bank expressly provides for a maintenance of value clause on loans made from the Fund for Special Operations. The specific language in this instance is as follows:

"Whenever the par value in the International Monetary Fund of a member's currency is reduced or the foreign exchange value of a member's currency has, in the opinion of the Bank, depreciated to a significant extent, the member shall pay to the Bank within a reasonable time an additional amount of its own currency sufficient to maintain the value of all the currency of the member held by the Bank in its ordinary capital resources, or in resources of the Fund, excepting currency derived from borrowings by the Bank. The standard of value for this purpose shall be the U.S. dollar of the weight and fineness in effect on January 1, 1959."

This point was further stressed during the hearings on H.R. 45 in answer to several direct questions on the maintenance of value provision of loans made by the Bank both under existing arrangements, and under the new situation assuming favorable action on the legislation.

At one point the Secretary of the Treasury, the Honorable Douglas Dillon, stated that part of the loan contract between the Bank and a borrower is a maintenance of value clause, " \* \* \* so the repayment in local currency has to be of local currency that is equivalent to the value of the local currency in dollars, the value of the local currency that was originally loaned."

#### 13. CONTRIBUTIONS OF OTHER DEVELOPED COUNTRIES

The committee inquired into the steps being taken to accelerate the contribution made by other advanced countries to Latin American development. The committee welcomed the information that the Bank is continuing its active efforts, to borrow in European capital markets. Bonds have been successfully placed in Italy, Germany, and the United Kingdom, and a Swiss issue appears to be in the offing. In addition to the Bank's own efforts, the executive branch is making every effort in bilateral contacts with other capital exporting countries to encourage a greater flow of development funds to Latin America. The committee believes that these important moves are in the right direction, and cannot help but contribute to a lessening of the overall burden on the United States.

Recently the Canadian Government entered into an agreement with the Inter-

American Development Bank under which Canada will make available up to Can\$10 million to finance economic, technical, and educational assistance projects in Latin America. Other developed countries in Western Europe and elsewhere should be urged to participate in the activities of the Inter-American Development Bank. It should be to the interest of those countries to develop their presence in Latin America.

At this time, both the United States and Canada find it necessary to tie their contributions to procurement in their own countries. This limitation should be discontinued as soon as balance-of-payments problems are resolved. Some of the other developed countries may also have to limit purchasing to their home markets in order to be able to participate effectively in the program for Latin America. Others, because of more favorable payments conditions, should be able to make commitments which are not restricted.

#### 14. MAXIMIZING LOCAL CONTRIBUTION TO PROJECTS

The committee notes and commends the efforts of the Bank to conserve its funds by maximizing local contributions to its projects. The practice of the Bank in negotiating with prospective borrowers is to obtain the highest possible level of local support. Local financial participation in SPITF projects has been about 50 percent of the total cost of these projects. In some cases, depending upon the condition of the country and the nature of the project, local participation has amounted to almost 70 percent of the cost of the project. In a few cases, a low contribution has had to be accepted, again due to local circumstances.

SPITF loans have generally been made in dollars. Directly or indirectly these dollars have returned to the United States. In some fields of activity, such as advanced education, a high percentage of the SPITF loans is used for U.S. procurement of specialized equipment; in other fields, such as agricultural development, the proportion of the loan used for direct U.S. procurement may be small. In all cases, however, even though dollars may be used for local costs, the letter of credit procedure assures the ultimate return of dollars to the United States.

It should be noted, however, that under the trust agreement with the United States, the dollars required for direct procurement must be used in the United States, or in another Bank member country. This latter provision, which permits dollar purchases in third countries, is of the greatest psychological benefit, and is tangible evidence to the Latin Americans of the intent of the United States to promote intraregional trade and development.

The Bank is urged to continue its efforts to maximize local contributions to projects, in particular where dollars might have to be used to purchase local currency.

#### 15. ENCOURAGING TRADE AMONG LATIN AMERICAN COUNTRIES

The committee recommends that the Bank also use its capacity to make loans in Latin American currencies to encourage countries to buy from each other materials and equipment they need for the projects the Bank finances. Latin American countries have traditionally purchased practically all their requirements from distant countries in Western Europe and North America. There has been very little trade among themselves. With the growth of industrial complexes in many countries, Latin America should supply an increasing share of its own growing import needs. The Bank, however, should draw upon the resources of the third country only when that country has an unused capacity to supply the proposed export, and when the export could not otherwise be arranged on commercial terms.



# 16. IMPROVED PLANNING FUNCTIONS IN THE ALLIANCE FOR PROGRESS. THE CIAP AND THE PROGRAM OFFICE

The committee was impressed with the improvement in the planning functions of the Alliance and of the Bank. A major purpose of this planning function is to clarify for each country what self-help is necessary on its part and what projects financed by the Bank would assist it to help itself. The recently established Inter-American Committee for the Alliance for Progress (CIAP) provides the institutional framework within which the basic problems of the several countries of Latin America can be carefully considered. On the Bank's side this function is performed by a new program office. In answer to a question on the formula, if any, used to divide the Bank's funds among the countries of Latin America, the Secretary of the Treasury replied:

"That situation has been greatly strengthened recently by the formation of \* \* \* CIAP, \* \* \* the Inter-American Committee for the Alliance for Progress, which was formed a year ago and which studies carefully the development program of each country and comments on these programs and helps them make coherent development programs."

"Now the Bank, \* \* \* looking toward this expanded operation of the FSO, \* \* \* set up last spring a new programming office with an officer who is an American citizen, \* \* \* as a special assistant to the President of the Bank, which does keep close contact with our AID administration and with this Inter-American Committee for the Alliance for Progress, to make sure that loans are not just made on a first come, first served basis, but rather in accord with a basic program which fits the development needs of each country."

"Now the Bank does give extra weight to countries that are taking measures, the proper measures of self-help, that have a sound program. That kind of country will receive a somewhat larger proportion of loans than another member country that is not taking those sorts of steps. I think that is only proper."

"But, in general, looking at the record of the Bank, you can see that there is no over-concentration, that all the member countries have received some help from the Bank, and where the amounts are slightly larger than the average, it is in countries that have done the most in the way of self-help and have had the most worthwhile projects."

The Assistant Secretary of State and the U.S. Coordinator for the Alliance for Progress elaborated on the planning functions of the Alliance and the Bank.

"In determining whether a country is making the maximum effort toward helping itself, there is not any rule of thumb that can be applied because the problems and situations vary greatly from country to country."

"In general we look at their fiscal policies to see whether they have the right tax system, whether they are doing a good job on tax collections, as good as can be expected, assuming maximum effort and good faith on the part of the government concerned. We look at the whole social spectrum. We look at exchange problems, exchange policies, to see whether they are losing money by supporting, for example, an unrealistic rate of exchange. We look at their budgetary deficits to see why those deficits exist, and where we find that government-owned enterprise—because of featherbedding or other types of problems—are running large deficits, we urge the governments to eliminate this, and indeed, in the case of Brazil and Chile, the whole spectrum is looked at, and in relation

to the Bank this is precisely the reason we set up the program office."

"In the beginning I think perhaps there was too much attention given to whether a project was a good one, whether it was a viable project, and not enough attention to whether the country concerned was making its maximum contribution to the total effort of development and social progress."

## 17. TECHNICAL AMENDMENT

The bill as reported by the committee was amended upon request of the Treasury Department to delete certain of the language contained in the bill as originally introduced. The language is no longer necessary and might be construed as denying to the United States the important privilege of issuing letters of credit with respect to its increased participation in the Fund for Special Operations.

## 18. CONCLUSIONS

The committee is convinced that the Alliance for Progress has now matured into an effective operation. The Bank is playing a very successful role. The earlier criticisms of the Alliance and the Bank have died down and favorable expectations prevail.

For the Alliance for Progress to continue along the difficult road ahead, the Bank must be able to maintain its operations. By the end of April its resources for soft loans will be exhausted and unless this bill is approved in time the forward movement must come to a halt. All but one Latin American country has approved the expanded FSO and promised its quota of funds. All that remains necessary is action by the United States.

The committee urges the early passage of H.R. 45.

Mr. WIDNALL. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. FINO].

Mr. FINO. Mr. Chairman, to say that I am disappointed with this authorization bill now before us and being considered by this body is putting it very mildly. It is very difficult for me to understand this administration's position in supporting this type of legislation in view of the serious crises we are confronted with in our balance-of-payments situation. Only last week all of us here in this House had the opportunity to listen to the economic message of the President of the United States to the Congress, expressing the President's great concern with this terrible problem and urging the Members of Congress to do something about it. And so here today what we are attempting to do is to completely ignore the President. We ignore the crisis and come out here asking the Members of this body to vote for a three-quarter-of-a-billion-dollar giveaway program.

Mr. Chairman, let me say quite bluntly that under the present crisis we cannot afford to give the Inter-American Development Bank the \$750 million over the next 3 years. We cannot afford to do it if we are serious, if we are concerned and if we are disturbed over the balance-of-payments deficits that keep on cutting into our gold supply.

Mr. Chairman, let me make my position crystal clear. I am not opposed to financial aid for Latin America and South America. Far from it. But I am opposed to the idea of disguising an aid program as a loan program. That is exactly what

we have here today. This is an aid program. The administration has turned the Fund for Special Operations—and this is the fund for which the authorization is being sought, a revolving fund. All this means is that we will get very little if any of this money back.

Mr. Chairman, during the course of the hearings on this bill I was concerned, as all of you would be, about the taxpayers' dollars leaving this country and the probabilities and the expectabilities of that money coming back. I asked Mr. Dillon if it would come back. The question was—and this is my question to Mr. Dillon:

But it will not come back into the pockets of the U.S. taxpayers?

And Mr. Dillon says:

Oh, no; certainly it will not until such time as the Bank has achieved its end objectives and there is no further development needed. And then—

And this is important:

And then if and when the Bank is liquidated original contributors to the Bank will get the resources back again.

And I asked:

If any are left?

Mr. DILLON. If there is any at that time.

Mr. Chairman, all this means, as I have indicated from the testimony, is that we will probably not get back any of this money.

This Bank, the Inter-American Development Bank, is the Bank of the Alliance for Progress. So let us face facts. This money is virtually being given away. We should not judge this program by the lenient standards of a loan program. It is aid, pure and simple. So let us judge this program severely as befits an aid program. This is not the time to go pouring money into other countries. Do we think that our payments crisis is a joke? If we do, there is someone else who disagrees and that is our Secretary of the Treasury. He disagrees. Only yesterday—only yesterday—Secretary Dillon said that even a full billion-dollar improvement in our balance of payments would not meet our needs. I took this off the ticker, the Associated Press wire service yesterday, when Secretary Dillon spoke before the National Industrial Conference Board. He said in substance, "when we talk of substantial improvement in 1965 I want to make it amply clear that we are not thinking of a few hundred million dollars; not even a full billion-dollar improvement would meet our needs. We can and must do considerably more."

Now, Mr. Chairman, this was from Secretary Dillon. All I can say is that this administration must have some other good, sound policies in mind.

Nothing in last week's economic message which, in my opinion, was a rose-colored manifesto, is going to save anything near a billion dollars that the Secretary of the Treasury speaks of.

There is no doubt in my mind, and there should be very little doubt in your mind, that we have to cut back on our

aid programs this year. Much of our foreign aid money is spent within the United States, and really there is no fat to be sliced off. Thus when we have a program like this which involves overseas expenditures, we ought to be very alert to the opportunity offered to help correct our balance-of-payments predicament.

I am really worried about this balance-of-payments matter, and I cannot believe that the administration can allow aid of this sort to be pumped out of a country to the extent we do here; that is, \$750 million.

I might say this is something that has been going on for many, many years. The administration makes all of the agreements before they discuss it with Members of Congress. They make these agreements before they alert Members of Congress. We are bound by agreement to pump this money into South America. The agreements were signed. All they are waiting for is our check.

This is what is happening: The administration makes agreements and now tells us we have to fulfill our agreements with South America because this is an obligation we have signed. I am worried about this, and I am sure everyone else is worried about it.

Let me quote briefly from an article on our balance-of-payments problem which appears in this week's Reporter magazine—a magazine which cannot be accused of being dedicated to conservative finance.

The article says that many European financial experts "think that a dollar abandoned to some combination of economic faddism, global do-goodism and administrative drift and dither would become vulnerable with a rapidity that few Americans realize is possible." I commend this quote to the administration with the old comment that "if the shoe fits, wear it."

Despite our payments trouble, I would favor a fair amount of Latin American aid if it were to accomplish a good job; but somehow I cannot feel that this program is really getting anything done, that is, anything of real substance. The Fund for Special Operations emphasizes the making of loans which would otherwise be considered a risk. It also supports a lot of work in irrigation, a lot of work in sewer construction. But what kind of progress has American aid made in social problems in Latin America that it should be maintained at such a high level to the detriment of our American dollar?

Recently the head of the Washington Bureau of the Miami Herald visited Guatemala and made some firsthand observations about this aid program in Latin America. Let me read a few of his comments. Mr. Lahey says, and I am quoting him:

If this charming country is to be taken as an example of the Alliance for Progress, it must be assumed that, by the time Latin America gets into the 20th century, the 20th century will have departed.

He reports that since 1954 we have poured into Guatemala, one of these

countries in South America, \$100 million. One Government official there—who apparently refused to have his name mentioned in the article—and this is the report from Lahey, told him "I would not want to have to defend our \$100 million investment here. You just do not change old institutions overnight."

He also states:

Our aid program emphasizes education, yet the 70-percent illiteracy rate in Guatemala has stood still for the past decade. The reason? Guatemalans produce children faster than the Alliance for Progress can build schools.

He sums up our progress thusly, and I am quoting:

Even in a delightful country like Guatemala, which has been a firm friend of the United States, the regretful conclusion is obvious that watching the Alliance for Progress make impact is a little like nursing a century plant.

In short, for all the good we are doing we might as well save some of this money. I am going to propose that we cut back a small part of this authorization, a small part, about 3 percent. It is a drop in the bucket, but if we have to start, let us start now. I propose to offer an amendment to slice \$25 million out of this program and for a good, worthy cause.

The President says that because of economy, because of lack of funds, there is a need to close down 31 Veterans' Administration facilities, hospitals, domiciliaries, and the like. If we could save \$23 million by that, I am going to propose that we take \$25 million from this program and give it to the President and say, "Here is \$25 million. Now, leave our veterans hospitals alone."

There is still another reason why I am opposed to the amount of aid in this authorization bill. It is this: I am doubly opposed to such an overseas giveaway when it stands in such marked contrast to harsh economies on the home front such as the closing of the veterans hospitals and installations. We are either going to save money or we are not. Economy is a real cause or it is not. I think everyone here agrees that economy is important. I think it is particularly important when the amount requested involves money to be spent overseas, because such expenditures affect not only our budget but our balance of payments. So if economy is important, and I believe it is, economy ought to start overseas with dollars that cause our balance-of-payments problem.

I sincerely feel that the Congress cannot let this authorization pass without a slight cut. This is a program with the fat to cut in lieu of domestic economies. This is a program in which we can prove that we can take care of our balance-of-payments problem.

Let me say in closing that this is the type of program that can obviously stand a cut, and it is the kind of program which offers the Members of this House an opportunity to cast a vote for economy and commonsense.

We all remember the legendary pot of gold at the end of the rainbow. Well, if we continue all of these foreign giveaway programs, if we had the money it would be fine, but if we continue all these foreign giveaway programs in the face of our mounting gold outflow, that rainbow will do little more than lead to a great big empty pot.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. ANNUNZIO].

Mr. ANNUNZIO. Mr. Chairman, I rise to publicly commend the speech made by the chairman of the Banking and Currency Committee, and author of H.R. 45, in support of an authorization to increase the U.S. contribution to the Inter-American Development Bank.

In my brief remarks I want to emphasize and amplify on some of the observations made by the gentleman from Texas.

I have spent a considerable portion of my time as an educator. I know the power of education. What we essentially are doing in this foreign aid program—and specifically in the Alliance program—is providing the tools and environment in which the people can be educated.

We provide the simplest part of all—we lend funds. Also, we provide the most important element of all in the economic development process—competent and dedicated personnel.

Our aim is to build institutions—in the economic, political, and social sense. True the processing of learning also entails the building of structures—dams, irrigation facilities, school buildings, houses and the like.

Also our foreign aid program includes food distribution under our Public Law 40 program.

We have learned that you cannot teach, and people cannot learn on an empty stomach.

We know too that communism breeds and flourishes on poverty and ignorance. This is why this Alliance program and specifically the Inter-American Bank bill under consideration here is so vital.

We are engaged in a death struggle with communism. Our cooperative program with the Latin countries is succeeding in stopping and beating back Communist infiltration and progress in these Latin countries.

When countries learn the truth they want to follow in our footsteps. When developing nations see the light they want to adopt our democratic institutions, our democratic form of government and our economic way of life.

We welcome this not because we are egotistical or because we want to dominate the world but because history has shown our political and economic system is the best yet devised by man.

We will not force our system down the throats of anyone. But we shall—because we are a generous people—assist where wanted in creating the environment whereby people can make an intelligent choice—a choice between communism or democratic capitalism.



This, as I see it, is the reason for our foreign aid program. This is why under both Democratic and Republican administrations the Inter-American Development Bank has been supported. This is why the Bank should be combined and this legislation passed.

The gentleman from Texas summed it up well when he said a vote for the bill is a vote for democracy and a vote against it is a vote for communism.

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

The CHAIRMAN. The Chair will count. Eighty-eight Members are present, not a quorum. The Clerk will call the roll.

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

[Roll No. 18]

Abbott	Fraser	Nix
Ashley	Frelinghuysen	O'Brien
Aspinall	Gonzalez	O'Neal, Ga.
Baring	Gray	Powell
Bell	Green, Oreg.	Quillen
Betts	Gubser	Reinecke
Bolling	Hagen, Calif.	Resnick
Bolton	Harvey, Mich.	Rhodes, Ariz.
Brown, Calif.	Holland	Roosevelt
Burton, Utah	Hosmer	Roudebush
Byrnes, Wis.	Howard	Sisk
Cahill	Johnson, Calif.	Springer
Cameron	Kastenmeier	Teague, Calif.
Cederberg	King, Calif.	Teague, Tex.
Clawson, Del.	King, N.Y.	Thompson, N.J.
Colmer	Long, La.	Toll
Corbett	Long, Md.	Tunney
Corman	McDowell	Udall
Curtis	McMillan	Walker, Miss.
Davis, Wis.	Macdonald	White, Idaho
Derwinski	MacGregor	Whitten
Diggs	Matthews	Williams
Erlenborn	Moorhead	Wilson
Farnsley	Morse	Charles H.
Farnum	Nelsen	Wright

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. GALLAGHER, 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. 45, and finding itself without a quorum, he had directed the roll to be called, when 356 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. WIDNALL. Mr. Chairman, I yield 15 minutes to the gentleman from Tennessee [Mr. Brock].

Mr. BROCK. Mr. Chairman, I rise with a great deal of reluctance today to oppose this bill. During our committee hearings on this bill to increase the U.S. contribution to the Inter-American Development Bank, I was very favorably impressed with the scope and purpose of this organization. Such a program seemed to be greatly preferable to our normal foreign aid approach, in that loans are made for economic and social development which have a definite prospect of yielding a return on the investment to the people of each individual nation. Though I was concerned over the impact of this bill on our critical balance-of-payments situation, I nevertheless did in the final analysis decide to vote to report this bill out after receiv-

ing the strongest possible assurances from the administration and from the Secretary of the Treasury, Mr. Dillon, in particular, that the Johnson administration would take important steps to stem the outflow of gold. I find now that my confidence was misplaced.

Just last week the administration sent its balance-of-payments message to Congress. It was totally inadequate. Whether we like it or not, and whether we have the courage to do something about it or not, this Nation faces the prospect of a major economic crisis due to the continued deterioration in our international payments.

Just 2 weeks ago this House acted to remove the gold cover from behind the Federal Reserve System, so that some \$5 billion in gold might be freed with which to meet our international obligations. It was said, in all sincerity I am sure, that such a move would restore confidence in the dollar and slow, if not stop, the outflow of gold. This has not been the case. Yet the administration, rather than face the difficult decisions which must be made, sends a recommendation to Congress which at best is inadequate.

The restriction on tourist buying can have only negligible effect. The tax which is being applied on overseas bank loans with maturity in excess of 1 year can have an adverse effect on exports. It seems to me the administration is relying on unwritten agreements with the banking industry to stop the outflow of dollars. This can represent only wishful thinking.

The decisions which must be faced are hard ones, both economically and politically, but they must be faced. Because I can see little evidence of such courage on the part of the administration, I have no alternative but to oppose this bill.

How will this particular piece of legislation affect our balance of payments? We, after the legislation is enacted, will sign a letter of credit over to the institution. Thus the funds are not disbursed by the Treasury until they are actually spent by the Bank. Then we have an agreement with the Bank whereby money which does not go for goods and services purchased directly in the United States is placed in a so-called trust fund, the funds from which can be used only for the purchase of goods and services from the United States. This sounds good, but how does it work? Let us take an example such as Guatemala, which might normally buy say \$20 million worth of goods from the United States every year. They can still buy no more than \$20 million even though we give them \$10 million new dollars from this bank. By simply saying that the money expended is trust account money, they can release their original dollars for expenditure anywhere in the world, or for demanding gold from the U.S. Treasury. In effect, this agreement is like a trapdoor—now you see it and now you do not. It is like a trapdoor in two ways.

Last April at a meeting in Panama, it was decided that Congress would au-

thorize and appropriate an additional \$750 million for this purpose. At a meeting dominated by Latin American officials, it was decided how much, for what purpose and under what banking regulations the U.S. Congress would authorize and appropriate this \$750 million.

The trap in this trapdoor financing is that advocates of the bill will tell you that Congress must support this legislation or stand accused of reneging on an international agreement entered into by our Secretary of the Treasury nearly a year ago. Two years from now without the knowledge of a single Member of the House or Senate, Treasury officials may commit the Congress to spending an additional billion dollars or a billion and one-half dollars for the IDB prior to a single day's hearings before any congressional committee. Your trap can swing both ways.

There is a second aspect to this legislation which I think we ought to consider and that is the approach that we are now using in this bill to divert the attention of the Congress from the fact that this is a foreign aid measure. It has been in the past, on every single occasion that it was considered, but in this bill we put it under an institution which is highly respected in order to make it more palatable.

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

Mr. BROCK. I yield to the gentleman.

Mr. FINDLEY. Do I understand the gentleman to say that the Secretary of the Treasury about a year ago actually obligated us to this contract, that this obligation was made by the Cabinet officer without either an authorization or an appropriation of the money by Congress; is that correct?

Mr. BROCK. The gentleman is correct. Under the terms of the agreement reached in Panama in April of last year, we agreed to contribute another \$750 million to the Inter-American Development Bank without any action by the Congress.

Mr. FINDLEY. So this was an obligation of three-quarters of a billion dollars by the Secretary of the Treasury without prior authority of the Congress.

Mr. BROCK. That is correct.

Mr. FINDLEY. I think the gentleman has described it quite properly as trapdoor financing.

Mr. BROCK. I thank the gentleman.

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

Mr. BROCK. I yield to the gentleman.

Mr. REUSS. I am not sure the gentleman from Wisconsin understood correctly but did he hear the gentleman from Tennessee say that the Secretary of the Treasury, in Panama City in April, 1964, had committed the United States, without action by the Congress, to the payment of \$750 million? Because, if so, I am sure the gentleman would know that this does not accurately describe the fact, which was that the Secretary of the Treasury and our U.S. delegation, in

company with the other 19 Latin American countries, agreed, subject to approval by their governments and their parliaments, to this enlargement of the Fund. That is what we are assembled here to do today, to examine this proposal of the Secretary of the Treasury and see whether we agree to it. Is that not exactly what happened?

Mr. BROCK. The gentleman is entirely correct. The point is there is now a feeling that it is incumbent upon the Congress to pass this legislation because there was an agreement and that to a certain degree we should live up to our international agreement.

Mr. REUSS. The gentleman is not suggesting that if the Congress wanted to repudiate the Alliance for Progress and to give Fidel Castro a pat on the back, under its constitutional jurisdiction it could not turn down this bill? The gentleman is not suggesting that the Congress is being deprived of its powers, is he?

Mr. BROCK. I am not suggesting the Congress cannot do something, but I have not seen much evidence of the Congress doing such in recent years.

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

Mr. BROCK. I yield to the gentleman from Missouri.

Mr. CURTIS. I believe the gentleman from Wisconsin pinpointed the point involved. It does put Congress in the unfortunate position of having to repudiate. We do not like to do that. This is not a proper way for us to proceed. We see this happening increasingly. On the International Coffee Agreement Congress is asked not to repudiate actions of our executive officials. I believe the gentleman makes a very important point.

Mr. REUSS. Mr. Chairman, will the gentleman yield so that I may reply to my friend from Missouri?

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

Mr. REUSS. I should like to hear of a more orderly and sensible procedure than what we now have, in order to try to get others to contribute. The only way we can do that is to get them together at the place such as Panama City and make a tentative agreement with them, subject, of course, to the approval of the Parliaments of Guatemala and of Chile and of this country and the others of the 19 members of the Alliance for Progress. How else can we get at it?

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

Mr. BROCK. I yield to the gentleman from Missouri.

Mr. CURTIS. Very simply, by consulting with congressional leaders first on a few of these things.

Mr. REUSS. That is precisely what happened before.

Mr. CURTIS. Oh, no; there was none of this.

Mr. REUSS. That is why Congressmen of both parties were in the delegation to Panama City, so that the Congress might interpose its views on that preliminary basis.

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

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

Mr. GROSS. This is a procedure for committing U.S. taxpayers which is becoming fashionable. I can think of meeting after meeting of some specialized group of the United Nations in New Delhi, India, or "Oogadooga" or some other faraway place where they get together, foreigners as well as Americans, and vote that the U.S. contribution to that agency or agencies be increased, and then send the bill to Congress. Of course, Congress could turn them down, but it never does, and the gentleman well knows it. This is a procedure which has become all too fashionable, and all too costly.

Mr. REUSS. The sole question before us today is whether the Congress of the United States in the free exercise of its constitutional jurisdiction, wishes to cast a vote of confidence in the Alliance for Progress or wishes to abolish it from the map. It can do either one. We are not inhibited by anything anybody has done.

Mr. BROCK. I appreciate the gentleman's comment, but I certainly do not agree that that is the sole issue before us today.

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

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

Mr. GROSS. As a result of these meetings in faraway countries we are called upon to dig into the pockets of our taxpayers and take out the money. That is another reason why I am opposed to this bill.

Mr. MULTER. Mr. Chairman, will the gentleman yield to me at this point for a brief response to the statement by the gentleman from Iowa?

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

Mr. MULTER. I thank the gentleman.

This is the constitutional method which is traditional in this country; that first we negotiate with foreign countries. This is the only way we can make international compacts, the only way we can make international treaties, the only way we can make international agreements. We negotiate first and then come back to the Congress—or, if it is a treaty, to the Senate for approval. This is the traditional way approved by our Constitution.

Mr. BROCK. I believe we have explored the subject.

If I might proceed, I believe a second point which should be considered today, as I started to mention, is that in fact we are using this as a method of diverting funds which would normally be appropriated and authorized under foreign aid programs, considered by the Committee on Foreign Affairs, into the Banking and Currency Committee and into the Inter-American Development Bank, because it is a more palatable method of applying these funds.

I should like to refresh the memory of Members slightly as to the basic origin of this program.

The Social Progress Trust Fund came into existence through enactment of Public Law 86-735 in September of 1960. The title of the act was "An act providing for assistance in the development of Latin America and in the reconstruction of Chile." The legislation was reported by the House Foreign Affairs Committee. An authorization for an appropriation of \$394 million was provided for this new foreign aid program.

The Foreign Affairs Committee report described the program as follows:

This program of social development is not expected to include financing in productive facilities such as hydroelectric power and industrial production. Its purpose is, rather, to assist in financing basic improvements that will make possible better living conditions for the ordinary citizen to improve his earning capacity. Adequate funds for such improvements are not available except from Government sources.

It goes on to say further that:

In order that the Congress may have full information on which better to determine any, and what kind of, additional legislation is necessary, the bill provides that the Secretary of State shall keep the Foreign Affairs Committee of the House and the Foreign Affairs Committee of the Senate currently informed about the plans and programs for the use of the funds.

I think it might be a pertinent question to ask the committee itself whether they have received such reports as any time in the last year or 2 years.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WIDNALL. I yield the gentleman 3 additional minutes.

Mr. BROCK. In short, it was the Committee on Foreign Affairs which spawned the program and which was designated by law to follow this new program.

In fiscal 1964 the budget proposal was for an increase of \$200 million in authorization for the Social Progress Trust Fund. The authorization was a part of the foreign aid bill. The actual appropriation in January 1964 was only \$131 million, making total appropriations of \$525 million for the Social Progress Trust Fund—all out of the Foreign Affairs Committee and in foreign aid bills.

In past years, we have heard much about backdoor spending through the Treasury, without any congressional check through the appropriations process. Because a vast majority on both sides of the aisle, here in the House, saw back-door spending as a means of circumventing Congress constitutional prerogatives, we did something about it.

The bill before us today goes far further than mere back-door spending. At least back-door spending is done by Americans. What we have before us today is what I prefer to call "trap-door" spending. Last April, at a meeting in Panama, it was decided that Congress would authorize and appropriate an additional \$750 million to the IDB's Fund for Special Operations. At a meeting dominated by Latin American officials, it was decided how much, for what purpose, and under what banking



regulations the U.S. Congress would authorize and appropriate \$750 million. The trap in this trapdoor financing is that advocates of the bill will tell you that Congress must support this legislation, or stand accused of reneging on an international agreement entered into by our Secretary of Treasury nearly a year ago. Two years from now—without the knowledge of a single Member of the House or Senate—Treasury officials may commit Congress to spending an additional billion or billion and a half dollars for IDB, prior to a single day's hearings before the appropriate congressional committee.

The Inter-American Development Bank—IDB—came into legal existence on December 30, 1959, and began operations in the fall of 1960. On June 19, 1961, the IDB and the United States executed an agreement known as the Social Progress Trust Fund agreement. Under it the IDB was named to administer the Social Progress Trust Fund and authorized to charge said trust fund for expenses incurred. For the year 1963 such charges were \$941,422.

Thus without the Social Progress Trust Fund ever coming before the House Banking and Currency Committee, this foreign aid program was grafted onto IDB operations through IDB being named agent to administer this special trust fund.

The bill before us does not contain any provisions merging the Social Progress Trust Fund into the soft loan functions of the IDB which are carried on through its Fund for Special Operations. But we are told there is an "understanding" no further requests will be made for additional funds for the Social Progress Trust Fund, since the expanded Fund for Special Operations of the IDB is to take care of both its operations as carried on in the past and those of the Social Progress Trust Fund. Again, without legislation, the Social Progress Trust Fund foreign aid operations are to be wired into the IDB through executive "understandings."

The United States as sole contributor to the Social Progress Trust Fund had complete control of that fund. The United States, although putting up 83.5 percent of the proposed \$900 million increase in the IDB's Fund for Special Operations, will end up with only 42.5 percent control as that is the voting power of the United States in the IDB. It is true the United States can exercise a Russian veto type of control since it requires a two-thirds vote to approve an IDB loan from the Fund for Special Operations but that is a far cry from the 100 percent control we exercise over the Social Progress Trust Fund today.

Initially the contribution of the Latin American countries to the Fund for Special Operations was payable 50 percent in gold or U.S. dollars and 50 percent in their local currencies. That procedure was followed when member country subscriptions were increased by approximately \$73 million early in 1964. The U.S. portion of the increase was \$50 mil-

lion. Now, under another "understanding" not in the legislation at all, the Latin American member countries additional subscriptions of \$150 million to the Fund for Special Operations is to be payable solely in local currencies. It is obvious the other "understandings" are becoming more important than the law itself.

The Inter-American Development Bank was a soundly conceived development lending institution. Under its "ordinary operations" it makes sound development loans on conventional terms. It has been able to borrow \$225 million in the U.S. private investment market plus borrowings equivalent to \$24.2 million in Italian, \$15 million in German, and \$8.4 million in British private investment markets. Ordinary sound development lending was to comprise 85 percent of the IDB operations under its initial capitalization. But through these "understandings" rather than change in law, sound lending is giving way to soft lending.

At the end of 1964 loans of the IDB under its "ordinary operations" totaled \$544.6 million; under the Fund for Special Operations the loan total was \$170.9 million and IDB as agent for the Social Progress Trust Fund had approved loans totaling \$450 million from that fund. Thus if the latter two functions are to be combined according to an "understanding," the soft lending of \$620.9 million already exceeds the \$544.6 million ordinary sound development lending operations of the Bank. This bill will further submerge the relative importance of the normal lending operations for which the Bank was established. It will become more and more a foreign aid agency.

You will be told that urgent action is needed on this bill lest we lose forward momentum in our relations with Latin America. We seem to have up a pretty good head of steam entirely apart from the IDB's Fund for Special Operations and the Social Progress Trust Fund. In calendar year 1964 AID assistance to Latin America was \$816.1 million, up from \$464.6 million in 1963; food-for-peace assistance in 1964 was \$248.5 million, up from \$212.8 million in 1963; and Peace Corps expenditures were \$19.4 million in 1964 as against \$15.6 million in 1963. That is a total of \$1.304 billion U.S. assistance to Latin America in 1964, up from \$807.8 million in 1963, without any reference to IDB and Social Progress Trust Fund operations at all.

As a matter of record, IDB Fund for Special Operations assistance in 1964 was \$49.4 million, up from \$32.5 million in 1963, while that under the Social Progress Trust Fund was \$86.6 million in 1964, up from \$48.6 million in 1963. Combining these two operations—IDB Fund for Special Operations and Social Progress Trust Fund—they accounted for \$136 million assistance in 1964 and \$81.1 million in 1963 or only approximately 10 percent of the direct U.S. assistance that was extended to Latin America in both 1964 and 1963. It is a good idea to keep

this "forward momentum" argument in perspective.

Here is a further interesting fact. The one form of assistance to Latin America that declined in 1964 was the ordinary operations of the IDB under which the Bank makes conventional development loans which at the outset was supposed to be the principal function of the Bank. Such conventional loan assistance by the IDB declined from \$178.6 million in 1963 to \$164 million in 1964. The ordinary operations of the IDB, of course, will continue whether this bill passes or not.

The committee report explains that economy and simplification of operations are reasons for merging the soft-loan functions of the Fund for Special Operations and the Social Progress Trust Fund. I would like to suggest another one, not mentioned in the report. I suspect it is the controlling one; namely, that it is easier to get foreign aid appropriations through the Congress when the request is dressed up as a proposed increase in an international banking organization rather than as additional foreign aid assistance. After all, the last time the Social Progress Trust Fund was up for an increase in funds, the \$200 million request was cut back to \$131 million in the actual appropriation.

We should recognize this bill for what it is. To my way of thinking, it, to a large extent, is but a blind to get a substantial increase in a foreign aid authorization on a 3-year basis. Thus we add a new phrase to the lexicon of foreign aid—not only do we have back-door financing, now we are adding trapdoor financing.

In the President's message on foreign aid this year he said in the message, and I will paraphrase it as best I can, that the administration does not seek any new funds for development loans this year in the area of South America. Now, that just simply is not true. It does not seek it under the foreign aid appropriation, but it does under this bill in the amount of \$250 million a year.

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

Mr. BROCK. Yes. I yield.

Mr. REUSS. I think the record will show that the President's foreign aid request clearly pointed out that the Inter-American Development Bank part of the total was the matter which, under the rules of this body, was handled by the appropriate committee, the Banking and Currency Committee. There was the clearest possible expression of that in the President's message. I do not think there was any attempt to deceive anyone, and I am sure no one was deceived.

Mr. BROCK. There are some of us who are obviously not, but the point is in the past this has been under foreign aid and the money that went into the Fund for Special Operations was handled by the Committee on Foreign Affairs as a foreign aid appropriation.

Mr. REUSS. No. The Fund for Special Operations was in the beginning, is now, and forever will be, handled by the Committee on Banking and Currency.

It is the now defunct Social Progress Trust Fund which has been, and which always will be handled by the Committee on Foreign Affairs.

Mr. BROCK. I stand corrected. I agree with the gentleman. But the point is we have merged the Social Progress Trust Funds into the so-called window for the Fund for Special Operations. They are now one window by agreement, and, in effect, the Social Progress Trust Fund is no more. It was originally foreign aid, and now we are giving money which would have gone into that program under this piece of legislation through the Committee on Banking and Currency as a banking matter.

Mr. REUSS. Will the gentleman yield at that point?

Mr. BROCK. Yes.

Mr. REUSS. That is a correct expression. However, the gentleman should rejoice that under the Fund for Special Operations the countries of Latin America are being requested to, and are, contributing very substantial sums, \$150 million in local currencies, whereas under the Social Progress Trust Fund they contributed nothing. Therefore, this arrangement is of great benefit to the United States and makes our dollars go much further, and encourages the very important principle of self-help.

Mr. BROCK. I appreciate that, and I should just like to point out two things. One is that a lot of these foreign countries' contributions are in so-called soft currency or local currency. The point is we do appreciate their contribution, but I am not sure it is easing our dollar problem at all to send another \$750 million out of this Nation. I do not see that we can connect the two in that respect.

Mr. REUSS. It does ease our dollar problem, though.

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

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. BRADEMAs].

Mr. BRADEMAs. Mr. Chairman, I rise in support of H.R. 45, and wish to address myself to one of the activities of the Inter-American Development Bank in which I have a particular interest; namely, the advance of higher education in Latin America.

In 1961, as a member of the Committee on Education and Labor, with my colleague, the gentleman from Connecticut [Mr. GAIAMO], I visited Argentina for the purpose of assessing the potential role of the colleges and universities of Latin America in helping achieve the objectives of the Alliance for Progress.

Mr. GAIAMO and I talked in their own language with a considerable number of university presidents, professors, students and government officials in a most frank and free manner and on our return reported on our observations and offered a number of recommendations for U.S. policy toward assisting higher education in Latin America. Our report was published in the form of a committee print of the Committee on Education and

Labor entitled "The University in Latin America: Argentina and the Alliance for Progress."

Let me say here simply that our visit to Argentina persuaded us that the universities of Latin America are an indispensable key to the economic development and social reform which these nations must have if they are to create democratic societies and free political institutions that will endure. It will primarily be up to the universities of Latin America to produce the engineers, the agricultural specialists, and the technicians needed to fight hunger, poverty, and disease and to move the economies of their countries into the 20th century.

What do these remarks have to do with the legislation we are here today considering? It seems to me that any fair minded examination of the record of the Inter-American Development Bank since the beginning of its activities shows that the Bank has done an exceptionally fine job in encouraging the development of stronger colleges and universities in Latin America, and that this outstanding record is one of the principal reasons this legislation, which calls for increased U.S. support of the Bank, deserves the overwhelming support of the Members of this House.

As the administrator of the Social Progress Trust Fund, the Inter-American Development Bank has given financial support to projects for higher education and advanced training which are closely linked with the economic and social development of its member countries. The Bank began its educational activities in 1962 and since then has approved 17 loans in 15 Latin American countries, loans which are being used to help finance programs in more than 45 centers of teaching and advanced research, with a total enrollment of 300,000 students.

Loans approved since 1962 amount to \$29,350,000, or approximately 38 percent of the total cost of the projects, which is estimated at \$76 million. The rest of the cost is financed, 37 percent with local support and the remaining 25 percent with funds from outside sources such as the Ford, Rockefeller, and Kellogg Foundations, and AID.

Under the rules of the Social Progress Trust Fund, the Inter-American Bank has loaned technical or financial aid only for educational projects in the fields of the basic sciences, engineering and related applied sciences, public health, agronomy and veterinary medicine, and the training of college faculty.

The projects approved, many of them already underway, have included the construction and equipment of classrooms, laboratories, and libraries as well as the provision of technical assistance to carry out such projects.

The contracts which the Bank signs with the borrowing universities involve an agreement on their part to modernize their operations and take the steps necessary to improve their curriculums and their research activities, increase the number of full-time professors and eliminate unnecessary and costless duplica-

tion through creating departments along modern lines.

Mr. Chairman, let me recall that among the 10 points President Kennedy urged for stimulating economic and social development in Latin America were proposals for helping to strengthen Latin American universities in what I would call the strategic fields, that is to say, those fields of study, such as engineering, public administration, agronomy and the natural sciences, which provide the trained men and women necessary for such economic and social development.

As President Kennedy said in his famous address of March 13, 1961, at the White House:

We must rapidly expand the training of those needed to man the economies of rapidly developing countries. This means expanded universities, graduate schools, and research institutes.

The charter of Punta del Este, which set forth the goals of a 10-year educational program for the Latin-American countries, echoed this viewpoint. Said the special resolution added to the charter, one of the objectives is to achieve "reform, extension and improvement of higher education so that a very much higher proportion of young people may have access to it."

There can be no question that the universities of Latin America have played a highly significant role in the development of democracies in those countries but there can also be no question that Latin American universities need vast improvement in their organizations and curriculums and practices if they are to be able successfully to fulfill their mission of producing the educated leadership necessary for the economic and social progress of that part of the hemisphere.

This is why the kind of assistance which can be provided through Inter-American Bank loans is so essential.

Let me here provide a few facts which may be helpful in understanding what the Inter-American Bank has been seeking to do in the field of higher education in Latin America. Just before the charter of Punta del Este was signed, there were some 160 universities in Latin America, with a total enrollment of 520,000 students—this includes the students at university level technical institutions. By 1964 the number of universities had leaped to 196 with a total student population of 680,000.

A conference on education and social development in Latin America, held at Santiago, Chile, in 1962, under the sponsorship of UNESCO, set forth some provisional goals for 1965 and 1970, goals that were required to meet the commitments undertaken at Punta del Este. According to these suggested goals, enrollments in higher education in Latin America should reach almost a million in 1970, specifically 968,800, an average annual increase of approximately 6 percent, the annual increase during the years 1960 to 1963.

Mr. Chairman, I should like to include at this point in the RECORD a table show-



ing, on a country-by-country basis, the number of universities in Latin America and number of students enrolled in the years 1960, 1962, and 1964:

Country	1960		1962		1964	
	Universi- ties	Number of students	Universi- ties	Number of students	Universi- ties	Number of students
Argentina	22	160,600	22	160,371	25	
Bolivia	7	7,999	7	6,835	7	
Brazil	32		37	80,644	40	
Chile	7	24,663	7	125,612	8	
Colombia	25	20,687	25	27,410	25	
Costa Rica	1	3,828	1	4,419	1	
Dominican Republic	1	4,241	1	15,000	2	
Ecuador	6	8,912	8	10,928	9	
El Salvador	1	2,241	1	2,941	1	
Haiti	1		1	1,565	1	
Honduras	1	1,420	1	1,720	1	
Mexico	35		35	82,030	35	
Nicaragua	2	1,184	2	1,652	2	
Panama	1	3,915	1	5,056	1	
Paraguay	2	3,329	2	3,566	2	
Peru	7	29,270	12		27	
Uruguay	1	15,320	1		1	
Venezuela	7	24,320	7	31,692	7	
Guatemala	1		1		1	
Total	160	(*)	172	(*)	196	

\* 1961 data.

\* Students enrolled in the polytechnical schools are included.

\* Students enrolled in the Universidad Católica de Nuestra Señora de la Asunción are not included.

\* In the absence of data for each country the aggregate number of students would not correspond to the sum of each column.

Sources: Based on OAS, "América en Cifras," Washington, 1963, and—

a Information from the "Guía de Carreras Universitarias," CNICT, Buenos Aires, 1964;

b Information from the Office of Cultural Affairs of the Brazilian Embassy, Washington;

c Decree No. 1297 of 1964 (Bogotá, May 30, 1964); and

d Report of the UNESCO mission, Paris, 1964.

It is important not only to encourage more students to undertake higher education in Latin America. It is also essential to consider their fields of study. One of the most serious problems Mr. GIALMO and I found during our trip to Latin America was that far too many students were enrolled, for example, in the law while far too few were engaged in fields far more essential to the manpower requirements of these developing countries. For example, the Organization of American States has urged: First, an increase in student enrollments in engineering from 21 percent of total university enrollment in 1962 to 25 percent; and, second, a rise in enrollments in agricultural sciences and veterinary medicine to 10 percent of the total rather than the 3.2 percent figure of 1962.

Consider a country like Argentina, which is a great agricultural area. Only 3.6 percent of all Argentina's university graduates between 1900 and 1960 were enrolled in agricultural sciences and veterinary medicine.

Mr. Chairman, at this point in the RECORD I would like to include a table showing the distribution of university enrollments in Latin America in 1960:

Specialties	Enrollment	Percentage
Medical sciences	113,414	21
Law	105,710	20
Engineering	93,918	18
Social sciences	88,432	17
Humanities	61,152	11
Teaching	21,357	4
Basic and natural sciences	19,878	4
Fine arts	14,626	3
Agriculture <sup>1</sup>	10,704	2
Total	529,191	100

<sup>1</sup> Includes agricultural sciences, veterinary studies, fisheries, milk industries, forestry, and related subjects.

Source: OAS: "La Educación en América Latina. Presentación Estadística." Washington, 1963 (p. 37).

I think it must be clear that more resources both domestic and foreign must be devoted to higher education in Latin America. It is not easy accurately to judge expenditures for education in Latin America but an authoritative 1963 study showed that total expenditures on education in 1960 were \$1,650 million or approximately 3.9 percent of their gross national product. Some 15.7 percent of this total was allocated to higher education.

A number of governments in Latin America are undertaking to increase their national investments in education. Peru, for instance, raised its expenditures on education to 4 percent of gross national product in 1964 from 2 percent in 1950.

It is clear, however, that a combination of weapons is required to make an effective assault on this problem of producing the educated men and women our Latin-American friends need to cope with the immense difficulties they face.

The Inter-American Development Bank is only one of the sources of financial assistance required to help do this job but it is an essential source.

Mr. Chairman, following is a table showing the several sources of outside financing of higher education and advanced training in Latin America between January 1, 1962, and June 30, 1964.

Mr. Chairman, I realize that many people in the United States look with real alarm at the political activities of some of the students at Latin American universities. Without in any way minimizing the distressing actions of some students there, I think it is important to understand that there are substantial and significant differences between university students in the United States and Latin America, differences which help

explain these activities. The contrast between university traditions and the accepted role of students in Latin America and our own country is very great.

For this reason, I think it would be most useful to include at this point in the RECORD some excerpts from a thoughtful address on "The Latin American University and Economic Development," delivered on April 16, 1964, at the University of Panama by the distinguished head of the Inter-American Development Bank, Dr. Felipe Herrera.

The excerpts from Dr. Herrera's address follow:

#### UNREST IN THE UNIVERSITIES: CAUSE AND EFFECT

The first thought that comes to mind on the subject has to do with the current situation of our universities, about which we constantly hear comments and judgments which reflect concern and even alarm; comments and judgments which arise not only from our own countries but which have been expressed repeatedly in the United States and in Europe. There is a more or less generalized concern—but more blatant in more conservative circles or in those which have hardly been in contact with our current history—about what is generally labeled as the unrest or the instability of the Latin-American universities.

The active participation of the students in militant politics, the declarations from student organizations on socio-political problems of their own country or international ones, their demands for reforms of their curriculum, their criticism of their academic and administrative authorities and the periodic strikes supported by these declarations, demonstrations and demands, all this, they believe, is evidence that a deep crisis exists which not only is upsetting the true spirit of the university, but is threatening the very future of the university itself.

Most certainly influenced by my own experience in university activities as a student and as a professor—the latter already mentioned as I thanked Professor Arosemena for his introduction—my approach to this problem has been to recall that in countries that face such tremendous problems and where critical circumstances color our image as a developing region, it is unreasonable to expect the universities to not reflect this situation. The difficulties and the tensions that arise from the general situation, characterized by insufficient economic development vis-a-vis the growing demographic pressure, the inequitable division of wealth vis-a-vis the growing expectations of the little man, the exodus of the rural population to the cities vis-a-vis the nascent industries that cannot cope with this displaced labor force, the formation (notwithstanding all these factors) of a new middle class that demands new opportunities and clamors for new responsibilities, the influence of the worldwide ideological dilemma, all of this must necessarily find a response in the universities. To the extent that our political and intellectual leaders proclaim that it is an urgent need for our hemisphere to progress, and that this progress must be achieved by leaps and bounds, and by radically reforming and transforming obsolete structures, it is evident that this unrest must touch a responsive chord in the university and in the students' attitude. The illogical, startling, alarming fact would be the contrary. A passive and quiet university in a country living through such an intense and dramatic change would be an anachronism, and it could even be a grave deterrent.

This, however, does not mean that we should be the defenders of a permanent imbalance or that we should preach that disorder and lack of discipline are absolute conditions of our universities. It is simply a matter of being able to distinguish between the inevitable unrest arising from the times in which we live—and which we are not going to placate only through exhortations to discipline or by taking strong-handed measures—and mutinies and disturbances whose moving force are the vested interests of those who seek to use this climate and tension to other ends. There must be a clear-cut distinction between the natural unrest which university students, attuned to their times, must reflect as a result of their dissatisfaction with the reigning conditions and their impatience to overcome them, and that unrest caused by interests alien to the university and purposely encouraged. One must proceed with full objectivity in this analysis since experience has shown that many times the student's natural unrest about his curriculum or the guidance offered by the university, is distorted or purposely tinged so that it may seem to be arising from a purely political motivation. And so it happens, that many times the label "communism"—or any other "ism"—is hung on what is really only the expression of disagreement from a youth not receiving from their universities the answers they seek to the great problems surrounding them and filling them with anguish.

This vital anguish in today's young Latin American should give us pause for thought, as he contemplates his own backwardness compared with the progress of other countries and regions, and the unstable means available to him compared to the fabulous technological and scientific progress and means available to the others. It is only natural for him to believe that the university is not in tune with the times, and that changes are not in step with the pace required by his vital anguish. When we were students, we also were filled with a similar unrest, the only difference being that it was another moment in history, and one certainly less tense and demanding than the present one. We also lived through the lack of understanding from those who confused the real motives of our unrest with motives which in their opinion, warranted the label of indiscipline and extremism. It is for this reason, in analyzing this crucial problem of the university today, that we must disregard easy, and usually wrong, generalizations.

It would be far more harmful perhaps for countries such as ours, to have a young generation unmoved, and without this unrest, for this would mean that we would be condemning ourselves to a conformist strait-jacket. And a conformist attitude in a young country in today's world would only lead us to accept the worst form of colonialism: that which presupposes the passive attitude of one who is resigned to his fate and expects outside succor.

Mr. Chairman, the road to transforming Latin-American universities is clearly filled with historical, financial, and psychological obstacles. But if students are to be turned away from the lure of Communist slogans and easy ideological solutions toward the tough path of making slow, but enduring contributions to the progress of their countries, there is no other way but to do battle with the obstacles.

This the Inter-American Development Bank has undertaken to do. The total impact of its program is helping create a climate in which students and political leaders are coming to understand that the urgent problems confronting their peoples cannot be solved by easy slogans

but by providing trained and educated men and women.

Mr. WIDNALL. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. MAILLIARD].

Mr. MAILLIARD. Mr. Chairman, I rise in support of H.R. 45 and under my unanimous-consent request to revise and extend my remarks I shall insert my reasons for this support.

But, Mr. Chairman, much has been said in the debate here today about the balance-of-payments problem—and I note from the press that today President Johnson and other Government officials are meeting with nearly 400 business executives to discuss details of the voluntary program for reducing the balance-of-payments deficit which if not controlled could ultimately have a most unfavorable effect on the stability of the dollar.

Mr. Chairman, although the President has suggested a number of means—both legislative and voluntary—for diminishing the outflow of dollars, there is one obvious way to meet this challenge which has not as yet been suggested insofar as I have been able to determine.

Mr. Chairman, what I propose is a voluntary action on the part of American business to decrease this unfavorable balance, without any adverse effects. An important element in this unfavorable balance is the payment of ocean freights to foreign-flag carriers for the transportation of American exports abroad.

Mr. Chairman, informed sources have estimated that only 70 percent of America's cargo capacity is being utilized by American exporters and shippers. The steamship companies estimate an unused capacity of between 8 and 9 million revenue tons. Briefly, this would generate an estimated \$350 million of increased operating revenue, of which 60 to 70 percent would be earned or conserved toward a move favorable balance of payments.

Mr. Chairman, with these facts in mind, I think it is clear that this unused capacity should be utilized in preference to foreign-flag carriers, especially when we realize that American liner vessel rates for cargoes are identical with those charged by our foreign competitors.

I am, therefore, introducing a resolution today expressing the sense of Congress that on a voluntary basis American industry should be urged to utilize this unused capacity on American ships and thus substantially reduce our payments deficit.

Mr. Chairman, this balance-of-payments question is a troublesome problem and the appeal to "Ship American" should be made at the highest level, preferably the White House.

Now, Mr. Chairman, to the merits of H.R. 45:

The measure being considered today is a most important one; to authorize increased U.S. participation in the Fund for Special Operations of the Inter-American Development Bank. This bill marks another step in the program first proposed by President Eisenhower.

At his urging the Organization of American States met in the city of Bogota, Colombia, in September 1960, to

study the formulation of new measures for inter-American economic cooperation. At this meeting, the U.S. Government, based on the authorization received from the Congress in the act for the inter-American program for social progress—Public Law 86-735—declared its purpose to establish a special inter-American fund for social development, and proposed that the Inter-American Development Bank be the primary mechanism for its administration.

Thereafter, these measures, which were designed to bring about a radical change in inter-American economic policy, as well as in the social policies of the Latin-American countries, received more definitive orientation through the Alliance for Progress formulated by President Kennedy. On March 13, 1961, in his White House speech, President Kennedy emphasized that social progress and economic development are complementary objectives, and that this social progress program is an effort to create a social framework within which all the people, including the least privileged classes of society, could share in the benefits of prosperity and look with hope to the future. The program took on new significance as the Alliance for Progress moved forward. It supported the faith that land reform, tax reform, better housing, and community facilities—all could be achieved with a cooperative, democratic framework, without violence.

On May 27, 1961, Congress, pursuant to the authorization of Public Law 86-735, appropriated, as part of the Alliance for Progress program, \$500 million of which \$394 million were devoted to the Social Progress Trust Fund to be administered by the Inter-American Development Bank to provide financial and technical assistance in the fields of land settlement and improved land use, housing for low-income groups, water supply and sanitation, and higher education and advanced training. This was augmented by another \$131 million in 1963.

The decision of the United States to use the multilateral approach in attacking the problems of social development in Latin America had ample precedent in U.S. policy. The adherence of the United States to the Bretton Woods institutions—World Bank and International Monetary Fund—the use of inter-governmental committees in the Marshall Plan, the creation of the International Development Association and of the Inter-American Development Bank itself are evidence of a deep conviction, born out of experience, of the value of the multilateral approach as an instrument of U.S. policy. The fact that the United States was willing to help Latin Americans at the grassroots level through Latin American multilateral organizations brought an enthusiastic response throughout the Hemisphere—except from Fidel Castro, who derided the Alliance and the Trust Fund and questioned the U.S. determination to aid Latin-American development.

At its fifth annual meeting, held at Panama City, Panama, in April 1964, the Board of Governors of the Inter-American Development Bank unanimously



recommended that member governments approve such an expansion under which, in brief, the member countries would contribute a total of \$900 million to the expanded Fund for Special Operations over a 3-year period. The United States would put up \$750 million of the increase and the Latin American countries \$150 million, each in its own national currency. The United States would thus provide \$250 million per year for the calendar years 1965, 1966, and 1967. The arrangement would only come into effect when 14 countries whose contributions total at least \$860 million agree to participate. As of January 15, 1965, 18 of the 19 Latin American member countries have taken all the measures necessary to bring the increase into effect. Funds contributed by the United States would be used only for procurement here or, to a limited extent, in other member countries. The expanded Fund for Special Operations would make loans on terms comparable to those on its present loans.

As a concomitant of this expansion, it is understood that the United States would make no further contributions to the Social Progress Trust Fund, administered by the Bank. In the future, the expanded Fund for Special Operations would include in its operations financing for social development purposes, including financing the type of projects—in the fields of land settlement, housing, water supply and sewerage, and higher education—heretofore handled by the Trust Fund.

In the 4 years since it began operations, the Inter-American Development Bank has become the principal financial instrument of the Alliance for Progress—it is literally "the Bank of the Alliance." Until now, resources administered by the Bank have been made available for economic and social development purposes through three windows: Ordinary capital, from which economic development financing is made available on conventional terms similar to those of the World Bank; the Fund for Special Operations, from which economic and social development financing is made available on easy repayment terms adapted to the balance-of-payments situation of borrowers; and the Social Progress Trust Fund, from which social development financing in the fields of land settlement, housing, water supply and sewerage, and advanced education is made available, also on easy repayment terms.

Whereas the Fund for Special Operations is partially financed by contributions from Latin American member governments as well as the United States, contributions to the Social Progress Trust Fund have been entirely from the United States. The present proposal would end further contributions to the latter, fully U.S. financed fund—which is administered by the Bank—and would substantially expand the multilaterally financed Fund for Special Operations.

An expansion of resources of the Bank in the proposed magnitude is essential to enable it to maintain a lending rate for dollar loans on easy repayment terms of about \$250 million per year. Such a rate was approximately achieved in 1962, but

has not been maintained since then because of uncertainties as to the availability and timing of funds. Reasonable assurance of availability of funds should enable the Fund for Special Operations to maintain this rate—thus making certain the fulfillment of the Bank's central role in the Alliance and the fulfillment of the Alliance's essential role in the realization of the hopes of the peoples of the Western Hemisphere—both northern and southern.

The Inter-American Development Bank has been diligent and responsible in emphasizing self-help measures consistent with the goals of the Alliance. This multilateral influence for reform, combined with the willingness to say "no" to projects of low priority, has given an impetus to sound planning and project preparation in the countries of Latin America.

In compliance with the terms of its trust and in accordance with what it conceives to be the spirit of the Alliance for Progress, the Bank has followed certain guiding principles for its administration of its resources and those of the Trust Fund.

First. Since a major purpose of the Fund is to stimulate the Latin American countries to mobilize their own resources for social development, each borrowing entity is required to contribute from domestic sources an appropriate share of the total cost of the project. The definition of "appropriate share" in each case depends on such factors as the capacity of the country concerned to undertake additional fiscal commitments, and the scale of its existing efforts in the field of social investment. On the average, local sources supply about 53 percent of the cost of the projects assisted by the Trust Fund.

Second. The Bank requires that the final beneficiaries of the projects pay for benefits received and do not obtain them gratis. Thus, for example, when the Bank makes a loan to an autonomous agency for a water system, it insists on a rate schedule which will produce sufficient revenue to cover operating and maintenance expenses and, wherever possible, amortization of the loan and reserves for future expansion. Similarly, persons acquiring houses—or apartments—are required to pay for them, though, of course, on long repayment terms. The purposes of the Bank in requiring adequate user charges are, first, to prevent the wasteful use of resources and, secondly, to avoid the need for continuing subsidies on the part of the local government.

Third. The Bank encourages private ownership. Thus it requires that housing units be sold to the occupants; it has not made loans for rental housing. Similarly, when loans are made for land settlement projects, the Bank requires that titles be delivered to the new settlers within a stated period of time. This policy is based on the assumption that secure ownership not only makes for greater social stability but encourages the improvement and proper maintenance of property.

Fourth. Wherever feasible, the Bank strengthens the cooperative movement

and free trade unions. Assistance to such organizations has been incorporated in loans for housing and rural credit in nearly every Latin American country. The Bank has also stimulated, by loans and/or technical assistance, the formation of savings and loan systems in several countries.

Fifth. The Bank encourages its member countries to plan their social development expenditures. The social needs of Latin America are so enormous that the Bank has been flooded with applications for all sorts of projects, not only from national entities but also from state and local agencies. The Bank has had to make it clear to the national authorities that, in view of the very limited resources at its disposal, assistance would be given only to projects with the highest priority.

Sixth. Of central importance to the success of any program assisted by the Bank is the competence of the executing agency in the borrowing country. Many of the agencies which the Bank has had to deal with were found to be in financial difficulties, inadequately organized, or overburdened with a variety of unrelated responsibilities. Wherever such conditions are encountered, reorganization of the agency to the satisfaction of the Bank is made a precondition of any disbursement. The Bank is generally prepared to provide technical assistance in the adoption of the necessary corrective measures.

The need for economic and social progress and reforms is vital in the evolution of Latin America, and if the forward movement already achieved is to be maintained and increased, the Bank's Fund must be replenished. In considering the augmentation of the Fund for Special Operations, the following additional points appear relevant:

First. The placing of these funds with the Inter-American Development Bank, with their use subject to the analysis, judgment, and administration of an inter-American body—but with an effective veto by the United States—represents a basic policy decision of both Republican and Democratic administrations as to the most effective way of obtaining practical results in the field of social change and reform, without incurring the individual misunderstandings, sometimes serious, resulting from direct bilateral negotiations between the United States and individual Latin American countries.

Second. The administration of the Inter-American Bank in the past 5 years has been enthusiastically supported in Latin America and the United States as both efficient and effective, and as one of the best examples of joint Latin American-United States cooperation in the development field.

Third. Any significant reversal of the present policy by the United States would be widely interpreted both in Latin America and the United States as failure to support a program and institution which have been integral parts of the Alliance for Progress, and would have serious repercussions on United States-Latin American relationships.

Mr. WIDNALL. Mr. Chairman, I yield such time as he may consume to the

gentleman from California [Mr. TALCOTT].

Mr. TALCOTT. Mr. Chairman, too many advocates of this bill have discussed the complicated and technical phases of the Inter-American Development Bank—obscurating some basic considerations.

The issues are simpler. We, as a good neighbor in the Community of Nations and in our own national interests, want and need to promote a stronger and more vital Latin America. The people of Latin America need help and guidance.

We can afford to help some. We cannot afford to do the whole job.

The outright giving of money to the heads of Latin American governments is more detrimental than helpful—to them and to us.

The administration claims that the "imbalance of our international payments" is our most serious internal problem. Our foreign aid program contributes most seriously to the present unfavorable imbalance.

The best forms of "foreign aid" now known are private enterprise and banking—utilizing the techniques, procedures, and disciplines of banking—justification, supervision, scheduled repayment, penalties for default.

The IDB has done a commendable job. It is the best vehicle for foreign aid to Latin America. It could be effective in the future.

The problem now is that the administration is taking advantage of a good, popular program by overloading it with foreign aid projects and techniques which have proved ineffective and unpopular in other areas—"soft loans" for unjustifiable projects, emphasis on "social progress" rather than economic development.

I certainly disagree with this trend toward corrupting a good program. I abhor the administration's disdain for our deteriorating imbalance of payments condition. I would prefer that lesser sums be committed at this time. I believe that Congress should be consulted before the administration commits itself, its credit and its prestige. I believe our Committee on Banking and Currency should make certain that opposing views are heard; that the committee report should more fully express the pros and cons. I also contend that the minority should do better in informing Congress and the public of the enormous costs and disadvantageous consequences of modifying and corrupting the worthy goals of this foreign aid vehicle.

However, inasmuch as Latin America is so important, the idea of the IDB is good, the personnel have performed well, and the U.S. Government would be embarrassed if this authorization were not approved. I shall support the bill today and hope that we can do better by the American taxpayer and for the Latin American beneficiary in the future.

We can expect to suffer from the steamroller of an overwhelming majority which pays no attention to a small minority.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, I merely want these few minutes in which to emphasize the statement made by the gentleman from Tennessee [Mr. BROCK], who preceded me concerning the connection of this request with our foreign aid program and what the budgetary situation is.

Now, as I understand this thing—and I think my figures are accurate because I got them from the budget—we have been asked this year for \$3.38 billion for foreign aid. Now that has been advertised as a reduction in foreign aid, that we are going to begin phasing out foreign aid by reducing the amount requested. That is composed of military assistance and economic assistance, and the latter figure is \$2.210 billion.

Now, Mr. Chairman, heretofore this Inter-American Development Bank has been funded out of the appropriations for foreign aid.

It will likely be done this time. The mechanics of the situation, as I understand it, is that the Congress will authorize this appropriation that we have before us now. That is, \$250 million a year for 3 years. Then the Committee on Foreign Affairs will bring out a foreign aid bill, which will be a separate bill, and that will be authorized as usual, probably \$3.38 billion. But when it goes to the Committee on Appropriations then is when your foreign aid begins to balloon, and I think we should bear in mind pretty well what is going to happen.

In addition to the \$3.38 billion, the budget message asks for this \$750 million for the Inter-American Bank to be composed of three bites. One of them is in the budget for the fiscal year 1966—that is, beginning in July of this year—and that will be appropriated. But the budget message says that the President will send us a supplemental appropriation request adding the first \$250 million in this year's budget, so that when you get through adding all this up, instead of your foreign aid being \$3.38 billion you will have these two bites of \$250 million, one in the supplemental bill and one in the foreign aid bill, and when you get through with your pencil you will be appropriating for foreign aid not \$3.38 billion, as is generally supposed, but \$3.88 billion. It looks to me as if instead of going down foreign aid is going up.

Some of us here are getting a little tired of this system of appropriating foreign aid for people whose chief pastime in life is to insult the American flag, break up American embassies, and abuse our people and what we are trying to do, year in and year out, while we sit by and take it and keep on feeding our enemies.

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

Mr. SMITH of Virginia. I yield to the gentleman from North Carolina.

Mr. JONAS. I, too, have been surprised at the amount of public discussion and comment in the press about the foreign aid bill going down, because while the President's budget this year is \$136 million less than he asked last year, it is \$130 million more than the Congress made available. So, even dis-

regarding the item to which the gentleman from Virginia referred, you will find that foreign aid is not coming down at all, but is actually going up, even according to the President's own budget.

Mr. WIDNALL. Mr. Chairman, I yield 7 minutes to the gentleman from New York [Mr. HALPERN].

Mr. HALPERN. Mr. Chairman, I rise in strong support of H.R. 45 now before the House.

Last April I had the distinct privilege of attending the Inter-American Development Bank Conference in Panama, and this experience hardened my conviction in favor of long-term multilateral type assistance.

At that Conference, preliminary decisions were reached which form the basis of H.R. 45. The United States is requested to join in an increase to the Bank's resources amounting to \$250 million per year, pursuant to an annual appropriation; this \$750 million is a 3-year authorization.

This proposal came before our Subcommittee on International Finance last August. The full committee held hearings this month, and we again heard from Secretary of the Treasury, Douglas Dillon and other Government officials, as well as private experts in the field.

H.R. 45 will expand the resources and responsibilities of the Bank's Fund for Special Operations. This Fund extends loans on easy repayment terms to member countries, and it will be taking over lending activities heretofore exercised through the Social Progress Trust Fund in the areas of land settlement, housing, education, water, and sanitation facilities.

The Fund for Special Operations has been making loans in the category of social and economic development, at 4-percent interest with maturity running to 20 or 30 years. In December of 1964, the Fund recorded combined loans totaling about \$171 million; combined with the Social Progress Trust Fund, they totaled \$620.9 million.

The spread and variety of loans extended by the Fund is characteristic of its grassroot, realistic approach to furnishing Latin America with needed development capital: a July 1964 loan to Bolivia for financing an electric power project; technical assistance to Guatemala to study the improvement of Guatemala City's water supply system; an agricultural loan to a growing Argentine cooperative firm which will assist in expanding the dairy industry.

I do not think the key to successful economic growth in Latin America can ever be piecemeal financing of isolated extravagant projects which have temporary propaganda value. The key is, rather, sustained effort in a variety of promising fields, carefully selected, and engineered to have the most effect upon regional economic advancement. This is the philosophy of the Fund.

The Congress firmly supported the principle of long-term, multilateral aid when it approved fresh authorization for the International Development Association. In a very real sense, FSO will be carrying out a similar function, and



stands in relation to the Inter-American Bank as IDA does to the World Bank.

I want to touch briefly upon some objections which I know have and will be raised. We are all concerned with the Nation's imbalance of international payments, and certainly we are obliged not to take any action which may further impair our situation.

In answer to this, let me say that under the provisions of article V, section 1(c), the United States will exercise its right to tie its dollar commitments to the purchase of goods and services here in this country. Furthermore, Secretary of the Treasury Dillon gave additional assurance before the committee that:

Wherever currencies are used for local purposes, a letter of credit will be set up, and the dollars will be put into that letter of credit account and will be used only for payment of exports from the United States.

Accompanying the American contribution of \$750 million, Latin American members will put up \$150 million. This is a ratio of 5 to 1, which is reasonable. Moreover, the American voting strength in the Bank is preeminent, with 41.8 percent; in the Bank's Fund, all important substantive questions require a two-third majority, and hence we are in an assured veto position. In view of our paramount participation, this is fair and rational.

I insist that in the years to come, our readiness to assist be steadily complemented by demonstrated self-help measures of recipient nations. This is a guiding criteria of the Alliance for Progress and its important instrument, the Inter-American Development Bank.

Long-term, multilateral lending is a realistic approach to the needs of social and economic advancement in Latin America. Administered with care, bent upon stimulating the most promising industry and administering to the most glaring inadequacy, sustained long-term financing can bring far more progress in the years ahead than abrupt, careless, bulk distribution. It is realistic because it takes account of the precarious hard currency position in which almost all of these countries find themselves.

We must encourage the industrially developed and richer nations to participate, and this authorization, to the Fund is a meaningful step; additionally, we must make recipient nations cognizant that without their manifold and tangible efforts, the American endeavor will fail and can never justify itself.

I urge the House to approve this authorization overwhelmingly today. It is a clear and meaningful step in the right direction.

Mr. WIDNALL. At this time, Mr. Chairman, I yield 8 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I had not intended to take this time because my heart is heavy for those who apparently are anxious to climb into a plane and fly down to Puerto Rico and elsewhere for a long weekend. I do not want to unnecessarily disturb the operation of the T. & T. Club—out on Thursday and back on Tuesday Club that will be in full force and effect this weekend.

But I am compelled to say a few words. We have heard a good deal this after-

noon about education and what this \$750 million raid on American taxpayers is going to do for education in the Central and South American countries. I would point out to you that there was a university in Peru, as I understand it, some 75 years before there was a Harvard University. I wonder what happened to education in Central and South American countries? These are not new and emerging countries. Why are they unable to educate themselves?

I point out to you, too, that there is in existence a big, fat book entitled "Technical Service Contracts" put out by AID—the foreign giveaway outfit. These contracts totaled as of late last year, almost a half billion dollars and a substantial amount of the money being expended under these contracts is for the purpose of education in South and Central America. How much is proposed to be spent on education in these countries? I wish Members would get a copy from the AID outfit listing all the contracts now in existence and totaling far more than \$400 million.

Yesterday the gentleman from Texas [Mr. PATMAN], on page 2921 of the RECORD, said:

It is time to look at the record. As of today Castro's Communist Cuba has been contained. The aggressor has been put in quarantine. \* \* \*

Then on page 2922 of the RECORD, the same gentleman from Texas [Mr. PATMAN], winds up his remarks by saying:

A vote against this bill is a vote in favor of communism.

First of all, I do not think the gentleman has done any part of his homework with respect to Cuba because Cuba has not been quarantined and the gentleman ought to know it.

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

Mr. GROSS. Just a minute. I certainly will, but I want to give you an opportunity to cover a little ground.

Mr. PATMAN. I thank the gentleman.

Mr. GROSS. Cuba is quarantined to the extent that the Red Chinese come and go at will in Cuba. There are still around 300 Red Chinese in Cuba whose movements in and out are unrestricted. There are still between 2,000 and 3,000 Russian technicians in Cuba. They, too, come and go at will.

Now we are told that Africans will be loaded on airplanes and brought into Cuba for guerrilla and other subversive training. These in addition to hundreds of trainees from over Latin America each year.

Cuba is quarantined, the gentleman from Texas says, and I say it is a spawning ground of Communist subversion and violence which is being today exported to all of Central and South America. The gentleman ought to know it.

So it is proposed to call upon American taxpayers to dig up another \$750 million to dump into the bottomless pit of this vast area allegedly to head off communism. At the same time this Government permits Communist subversion to be exported from Cuba to all these countries.

The cancer of communism in Cuba ought to have been removed when it was first diagnosed as such. Instead, after spending a fortune to organize and train an invading force, a Democrat administration stood spinelessly by and watched the Bay of Pigs fiasco. The cancer now grows and spreads, and the answer by those in power is to spend additional hundreds of millions in what will be a futile gesture.

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

Mr. GROSS. I yield to the gentleman, and I trust he will not deny what I have said.

Mr. PATMAN. I agree with what the gentleman has said. There were 300 Red Chinese there. There are people from Moscow there. There are Communists from all over the world in Cuba.

This is the way they are quarantined. There are 21 South American countries, including Cuba. In the Alliance for Progress and in the Inter-American Development Bank Cuba is not included. Cuba is not eligible to join. Cuba is quarantined. All the other 20 South American countries are with us. We have Cuba quarantined.

Mr. GROSS. So that is what you call a "quarantine."

Mr. PATMAN. I did not finish my remarks to the gentleman.

When the gentleman finishes, I will use my own time to reply.

Mr. GROSS. Very well.

As for this business of accusing anyone who votes against this bill of being for communism, I wonder how the gentleman from Texas has been voting? I would not raise this question if he had not raised the issue. Let's see how he has been voting, and I have had but little time to look up his record.

He voted to continue to provide agricultural commodities, food products, to Nasser, who is buying Communist arms and supplying them to the Communist activated rebels in the Congo.

On December 16, 1963, the House voted on the Jensen amendment restricting the use of any funds by the Export-Import Bank to guarantee the payment of any obligation herein after incurred by any Communist country, or the extension of credit of any kind to a Communist country, agency, or national. The House approved the amendment 218 to 169, and the gentleman from Texas, with the greatest of ease, voted against trying to put the brakes on the use of our dollars to support communism.

I wonder who votes to give, on a direct basis, aid and comfort to the Communists?

I resent the statement made by the gentleman from Texas yesterday that anyone who votes against this bill is giving aid and comfort to the Communists. I regret that he feels called upon to make such an unwarranted statement.

Mr. PATMAN. Mr. Chairman, I yield myself 3 minutes.

May I suggest that the gentleman is somewhat inconsistent. He denies that Cuba is quarantined. It is quarantined and this program further quarantines Cuba.

We have some trouble spots in the world, and there would be a real Vietnam in South America today were it not for the success of this particular program which we want to continue and expand.

Think about it. A few months ago, or a few years ago, the gentleman from Iowa would jump up on this floor at every opportunity and say, "What are you going to do about Cuba? What are you going to do about Castro?"

It is a challenge, and now that challenge has been met. We have done something about it. Those Red Chinese are in Cuba, just like he said. Those Russians are in Cuba, just like he said. What are they doing there? They are fighting the Alliance for Progress; they are fighting this very bank, the Inter-American Development Bank. The Communists are against it. And, if the gentleman from Iowa votes against this bill, he will please the Communists of the entire world. He will pat Castro on the back and tell him what a wonderful man he is, if he votes against this bill.

I have in my hand here a statement the gentleman signed against the Red Chinese, stating how awful they are. It states they should not belong to the United Nations, all of which I agree with. He signed this with many other Members of the House. Now, then, if he gets himself in the inconsistent position of voting to applaud communism in their fight to destroy this program, where we have all the South American countries united with us 100 percent and, I think he will find himself in a very inconsistent and embarrassing position in the future.

I am not saying that he will not be able to take care of it. He is a very resourceful person, very intelligent and knowledgeable, and he usually falls on his feet like a cat. I am sure he will be able to take care of it, but I can see now some person who wants to criticize him throwing a slogan at him.

He will say, "Yes; you pretend to be against the Red Chinese and against their being down there helping Castro and then turned around and voted with them."

You see, when people throw a slogan at you, especially if it is in a campaign—and I am not predicting it will be in a campaign, because I do not know—but any time a slogan is thrown at a person he is put in a position of great disadvantage. Sometimes you can answer, like the instance of the votes that the gentleman mentioned I cast. I can answer that in a very short minute or two.

But whenever you throw a slogan at a fellow that he voted with the Communists he puts himself in a very embarrassing position.

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

Mr. PATMAN. I yield myself 2 additional minutes.

He puts himself in a very embarrassing position because sometimes a person can throw a slogan at you that will take an hour of logic and reason to answer. You can answer it all right, but it takes an hour to do so.

However, the gentleman could spend a week and he could not answer this slogan

that would be thrown at him—that he claims to be so hard against Red China and so hard against Cuba and communism and yet the only program which has succeeded and continues to succeed, he votes against.

Are you in favor of having a Vietnam in South America? Are you in favor of dissolving this program and destroying this program which has effectively dealt with communism?

I want to plead with the gentleman to examine his conscience and his thinking and consider the judgment he is passing here and see if he is not making a great mistake. I have hopes that he will even change his vote before we get down to it, because he will not be able to defend his vote. He is voting inconsistently with everything he has said. So I think he ought to reexamine his statements and what his vote will amount to and the vulnerable position he will place himself in.

Destroy the program. Who wants to destroy it? The people who want to destroy the Statue of Liberty, the Liberty Bell, the Washington Monument. They want this program destroyed. Are you going to vote with them?

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

Mr. PATMAN. I yield to the gentleman.

Mr. HAYS. I want to caution the gentleman about getting overly optimistic about changing the vote of the gentleman from Iowa.

Mr. PATMAN. I think the gentleman from Ohio is probably correct.

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

Mr. WIDNALL. Mr. Chairman, I yield 1 minute to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I have been warned before, during my lifetime, that it is not always good policy to engage in an exchange with a certain type of varmint; so I will rest my case.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS. Mr. Chairman, there are two proposals presented in this bill that are very worrisome. One is the Alliance for Progress and the other is the balance of payments. The Joint Economic Committee set up a subcommittee after the Alliance for Progress was first set up, because we felt that this was very important, and needed intensive study. I find in all of the discussion to which I have listened on the floor and the debates, and from reading the committee hearings as well as the committee reports, that there seems to be a lack of understanding of what the Alliance for Progress was set up to do. It was to bring about \$20 billion of capital investment in Latin America over a period of 10 years, half of the mix to come from Government and half from private. What has happened is something that has concerned the Joint Economic Committee and it concerns me right now. With all of the boasting concerning what has been done in the governmental sector, we have noticed since the Alliance

for Progress started an actual decline in the private sector. I have tried to suggest that there is a corollary to Gresham's law—I call it CURTIS' Corollary—that Government money drives out private. This deeply worries me and those who are concerned about the Alliance for Progress might give thought to the fact that throughout all of this testimony there is no reference at all to the total package of new investment in these South American countries other than a statement made by one of the people supporting it—Secretary Mann, for whom I have the greatest respect, I might say—that in spite of all this, the per capita gross national product of these countries has not risen. Of course, if Government money is going in and private capital is being withdrawn—and it is not just American private capital, I regret to say, it is private capital of the Latin American people themselves, in some of these countries—those who are concerned about the Alliance for Progress should look back to what it is supposed to be and try to look at the total picture. So I regret I cannot share these glowing terms in describing it.

I think that to go ahead in this fashion without any knowledge of what is occurring in the private sector is not good.

Mr. Chairman, let me say this. I have a bill before the Committee on Banking and Currency which would permit our own savings and loan companies to set up in South America because, believe me, we could get real housing built if this were enacted. I think the gentleman from New York [Mr. MULDER] has a companion bill. Here is one way in which I think you could move forward in a great fashion in the homebuilding area in South America which needs to be developed without using Government funds.

But, let me go to the other matter which is so critical now, the balance of payments. I read this statement of Secretary Dillon's which is reprinted at page 7 of the report. It is also contained in the hearing.

Mr. Chairman, this statement, if one really reads it, does not say what it seems to say. Of course, this affects the balance of payments and it affects it very seriously. If you question it, read over on page 2, at the bottom, where it points out that the Bank's Fund for Special Operations is for. Read this sentence with me:

The purpose of this Fund is to offer financing where, for balance of payments or other reasons, lending on conventional terms is not appropriate.

In other words, when because of balance-of-payments reasons on the part of these Latin-American countries they cannot get conventional loans, they go to this Bank Fund for Special Operations. Then someone has the audacity to make the statement that when the United States puts up this money that it is not going to affect our balance of payments? It seems that when private investment abroad is concerned, it affects balance of payments and then the President proposes interest equalization taxes to prevent it. But when it is Government money, our money, the taxpayers' money,



to be invested abroad, this somehow or other does not affect balance of payments.

Then, Mr. Chairman, we go over to page 11, and listen to this:

ENCOURAGING TRADE AMONG LATIN AMERICAN COUNTRIES

The committee recommends that the Bank also use its capacity to make loans in Latin American currencies to encourage countries to buy from each other materials and equipment they need for the projects the Bank finances.

Where does that fit in with this so-called tie-in of our expenditures in these Latin American countries with materials purchased in the United States?

But, Mr. Chairman, here is the real situation. Secretary Dillon is talking about the expenditures for materials. Why, 90 percent of these programs—and just read them listed in the hearings—are for services and not for goods. This bill before us is hitting right at the heart of the balance-of-payments problem and in our present state of lack of information might be damaging the Alliance for Progress by further curtailing the \$10 billion additional capital investment it contemplates.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. MIZE].

Mr. MIZE. Mr. Chairman, for some time, I have been personally satisfied that—for many reasons—this country needs a prosperous, progressive, economically sound, friendly Latin America. "Dependable hemispheric partnership is essential to our future freedom," as Dwight Eisenhower put it. The massive Alliance for Progress program, to which the United States is committed, is designed to stamp out illiteracy, poverty, and ill health, yet many Latin Americans charge us with dollar imperialism, and say we continue to hold many of the nations in colonial status. I wanted to try and find out why. I traveled briefly to Colombia, Ecuador, Peru, Bolivia, Chile, Argentina, Uruguay, and Brazil. I visited with many people in our embassies, some of the officials in our AID offices—Agency for International Development—businessmen—both Latin Americans and representatives of U.S. companies—students, a few Peace Corps men, and as many just plain natives, with whom I could engage in conversation. The purpose of my trip was to satisfy my personal concern and curiosity about our emerging policies toward Latin America, and their effectiveness.

Aside from purely humanitarian reasons, which this and other countries have for aiding underdeveloped areas of the world, there are economic reasons. Latin America as a market for our export products, is as important to us as Europe, and far more important than Asia and Africa. Our sales of products to the nations of South America are almost all inclusive. These republics buy more from us than from anyone else.

On the other hand, the United States is of key importance to every Latin American country, both as a market for their products and as a source of many essential imports. The foreign exchange they earn when we buy their coffee,

fruits, sugar, wool, and minerals, they use to buy industrial and transportation equipment, and many kinds of consumer goods from us. The amount of money this country has invested in Latin America, both private and public, both by way of loans, as well as permanent investment, is enormous. Our various aid programs and government-to-government loans, plus capital we have put in international lending institutions has helped many of the countries to build transportation facilities, irrigation projects, improve and expand mineral and other enterprises. Some of our large corporations have massive investments in Latin America. These private companies pay better wages than their local counterparts—submit to and pay all local taxes levied, whereas this is not always true of their local counterparts.

One big problem in our relations with Latin America in the past has been the lack of interest and minimum news coverage we get of the area. Only the highly dramatic events were covered. Too, we have tended to consider South America as one entity and any unfortunate incident in one country was interpreted by many of us as applying to the entire 21 nations. We tend to think of them as revolution loving, lazy folks. We do not realize that the vast majority of the leaders in all walks of life in Latin America are working hard for establishment of true democracy, promotion of social reform, and real cooperation with the United States.

Agriculture can, and must, be diversified, and made more efficient. To accomplish these objectives better education and living conditions, housing and health services must be developed. Much of this type of need can be accomplished with technical help from the United States. I learned from our embassy people in Ecuador, Bolivia, Peru, that this technical planning is needed more than money. Our Peace Corps is doing a meaningful job in the hinterland, but on a small—yet locally appreciated—scale, in the Indian countries.

The most important thing that must be accomplished, in my opinion, is to encourage the Latin American governments to do all they can to create a favorable business atmosphere for private investment. Our Congress has done its part by authorizing the investment guarantee program.

Land and tax reforms are a must. To overcome the unwillingness of the rich landowners to permit tax reforms and land distributions programs is necessary if some governments are to accomplish social and economic development. Without these reforms, conditions will continue to be bad and in some countries oppressive. These ever present characteristics—minimal housing, poor health conditions, low wages, undernourishment, will not be tolerated much longer. Discontent is spreading as mass communications provide these people with a view of what is available by way of a good life elsewhere in the world, and in their own capital cities. This frustration of the masses will erupt in revolution. All thoughtful leaders must guide the

revolutions along peaceful, democratic avenues.

The vast majority of leaders abhor the turn of events in Cuba.

Latin America can use outside help and should, to solve its problems. Too many of their politicians and business leaders find fault with us. While our record is not absolutely clean—whose is?—it is far superior to that of any other country. These people must learn to realize. They must know the sacrifices our people make in our AID programs—that are financed by taxes paid by the American citizen. They must get over an obvious misconception that our wealth is unlimited. We have got to do a selling job to convince them that our free enterprise system, and democratic processes—if adopted by them—can make for a higher growth rate than socialism. There are two types of revolutions now operating in this hemisphere—the Alliance for Progress and Castro communism. One is dedicated to democracy and economic growth, the other is dedicated to violence and the robbery of human freedom. We had better be alert to the danger that without our co-operative help freedom may not survive.

Yes, Latin America is filled with a mass of "have nots" and a very few "haves." The "have nots," as usual, want what the "haves" have. Frankly, my personal humanitarian inclinations are to help all we can, through the type of program we are discussing today.

The president of the Federation of Chilean Students, in a letter to our Ambassador at the time of President Eisenhower's visit to Chile in 1960 stated the situation candidly:

The threat of communism is merely a reflection of the most important question of our time: The poor in the world (that is to say, 80 percent of the human race in Latin America) want bread, education, homes, health, security, dignity, freedom, and hope. The order under which they live denies them these things. But we all know that poverty is no longer a misfortune, but an injustice and unnecessary. There are impassable barriers separating us from Communist ideology, and methods, but no one should claim to be deceived. The West has been successful in spreading throughout the world a certain scale of values that symbolizes civilization. If Christianity and democracy fail in the coming 10 to 15 years in giving bread and work and dignity and security to the poor—the fiery breath of communism will cover the earth.

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

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

Mr. McCLODY. Mr. Chairman, I want to commend the gentleman on a very excellent statement.

Mr. Chairman, it is apparent that a general overhaul of our Nation's foreign aid programs is in order.

The adverse balance-of-payments situation has resulted, in part, from extravagant and ill-advised unilateral foreign aid. If our Nation is to provide financial assistance to underdeveloped nations, it is far preferable that such assistance should be on a multilateral basis. In addition, it seems highly desirable to provide foreign aid in the form of loans, instead of grants.

It is my feeling that the bill now before the House (H.R. 45) fulfills these two criteria. The funds which are requested in this bill are to be augmented by funds contributed by Latin American countries. In addition, the funds which this bill would authorize are to be loaned—not given away.

Unless our Nation is to discontinue all official financial support of friendly and needy foreign nations, legislation of this type should receive congressional approval.

In supporting this bill (H.R. 45), I am not condoning foreign giveaway. Quite the contrary, I am seeking to encourage repayable loans to friendly nations—loans in which other countries are participating.

Mr. WOLFF. Mr. Chairman, H.R. 45, the bill which authorizes the United States to continue its contribution to the Fund for Special Operations of the Inter-American Development Bank, is a vital program at this time because of the rise in power of Castro and communism in recent years.

I am in favor of this loan because of the fact that I do believe that we must keep Latin America free from communism and we must counter the actions of Castro. Secondly, this is another evidence of taking a long-range view to eliminate our responsibility for these countries as they begin to grow, become economically independent, produce for themselves, and become self-sufficient. It will permit us to gradually withdraw our economic aid to these independent nations.

The moneys this bill will provide are for a loan basis by which these countries will be able to encourage self-help and growth from within. It contributes to and endeavors to meet the needs of the private and public sectors of a community. This arm of the Inter-American Development Bank is for economic and social development purpose. All the participating Latin American countries contribute to this Fund.

These loans through aiding the public projects makes possible the participation and growth of the private enterprise sector. These projects enable private businesses to participate in the vastly needed economic development of these countries. It encourages their growth and knowledge through technical assistance, in industry as well as agriculture, machinery, and construction.

Through this direct participation of the public programs, private enterprise and businesses are provided with the encouragement, knowledge, and work which is necessary for their growth; contribution to the overall economic development of their nation. This bill provides for programs that will generate community and private participation and effort.

Mr. RANDALL. Mr. Chairman, there may be some who are surprised that one from the majority side of the aisle should choose to support the amendment of the gentleman from New York to cut some \$25 million from the funds of the Inter-American Development Bank. But they should not be. Just a brief look at the purpose of the amendment should

dispel the idea that it is in any way partisan. It is rather just one way of saving money so that full service can be restored to our veteran population. That is hardly a partisan gesture.

The gentleman from New York is certainly deserving of commendation for his inspiration in suggesting a reduction of \$25 million in foreign economic assistance in order to restore more an equivalent dollar amount of domestic services to our veterans.

The proposed cut of \$25 million would reduce the authorization in this bill from \$750 to \$725 million—a cut of only 3 1/3 percent. Converted into a fraction, the \$25 million is one-thirtieth of the total. Certainly this \$25-million cut cannot spell disaster for the bill or for the program. It seems to me it might be quite difficult—in light of what the domestic expenditure of this money would mean to our millions of veterans—for the proponents of H.R. 45 to oppose such a small reduction. Everyone should find it possible to support this amendment.

Within the past few days a memorandum crossed my desk asking for my presence on the floor of the House to oppose crippling amendments. Now I suppose the amendment by the gentleman from New York could be construed by some to be a crippling amendment just because it proposes a reduction, however small. By the same token, I guess you could call virtually any proposal to cut any program a crippling amendment.

But why must we in the House always be accused of attaching crippling amendments whenever a proposal deviates from the program sent up to the Hill from down the street? Have we fallen into the language that anything Congress does to reduce expenditures is crippling, but anything done by one of the departments is economy?

I should like to suggest to my colleagues that perhaps in the case of the projected closing of veterans' facilities the folks downtown have done the crippling. In fact, I would go even further. I would say that by seizing our opportunity today to economize on an administration proposal, we may be able to some degree to reverse this crippling of service to our veterans.

As for my own congressional district I cannot see how the small annual savings of approximately \$300,000 can compensate for the inconvenience and expense the aging veterans in 52 western Missouri counties will suffer because they will have to travel 250 miles to St. Louis whenever they want the same kind of service they have regularly been receiving from the Kansas City VA regional office. In my view that is false economy and immediate steps should be taken to guarantee continuation of these services. If cutting other programs to provide the funds is necessary, so be it. But the decision on these VA closing must somehow, somehow, be reversed.

One of the members of our State delegation in the other body said back in the 88th Congress that if the choice were to be presented between a sewage plant or a highway in some other country at the cost of an increase in an already serious balance-of-payments deficit, as against the maintenance of the financial integ-

rity of our country, the choice would be very easy. At that time he said he would choose the latter objective.

I submit that we have the same choice today with respect to the entire bill authorizing the expenditure of \$750 million. Yet we have a very easy choice with respect to the amendment to reduce the bill by \$25 million. The question is whether we are going to build sewage plants and highways in some foreign country at the same time that our veterans, their widows, and their children are being denied prompt and easy access to the services of the Veterans' Administration.

Today we have a chance to give expression to our beliefs on this question. This is a clear chance to translate sentiment into action. The time is now—today—and the choice should be easy.

Mr. HANSEN of Iowa. Mr. Chairman, hemisphere unity was given a real solid boost when on Thursday, February 18, this body passed the measure which insured 3 more years of Inter-American Development Bank activity through its Fund for Special Operations.

This is one of the finest kinds of self-help the United States can possibly construct for our Latin American friends. It ranks, in my judgment, second only to the Peace Corps operation as an instrument for the furtherance of this Nation's acceptance as a real friend. One with whom all of Latin America can cooperate to the mutual advantage of the nations on this continent.

Putting it in more simple terms, I would liken this program to that of a wealthy father who after middle age begins to feed his assets to his sons to manage for his and their benefit. This training of the sons in money management is far better than sitting tightly on his assets until death comes and the boys suddenly have the whole problem of money management dumped into their laps.

This Bank has been managed prudently and successfully enough to make its securities considered a prime investment by private investors throughout America and Western Europe. This is testimony enough of its value. The propriety of this Government continuing its support of one of the most effective antidotes against the Communist influence in the American Continent is well substantiated by the prudent investors of the free world.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

H.R. 45

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of subsection (b) of section 7 of the Inter-American Development Bank Act (22 U.S.C. 283e(b)) is amended by striking out “, after paying the requisite part of the subscription and quota of the United States in the Bank required to be made under article II, section 4, and article IV, section 3, respectively, of the agreement,”

(b) The last sentence of such subsection is amended by striking out “of the subscription and quota of the United States” and “respectively.”



With the following committee amendment: "Strike out section 1."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 2. The Inter-American Development Bank Act (22 U.S.C. 283-2831) is amended by adding at the end thereof the following new section:

"Sec. 14. (a) The United States Governor of the Bank is hereby authorized to vote in favor of the resolution entitled 'Increase of Resources of the Fund for Special Operations' proposed by the Governors at their annual meeting in April 1964, and now pending before the Board of Governors of the Bank. Upon the adoption of such resolution, the United States Governor is authorized to agree, on behalf of the United States, to pay to the Fund for Special Operations of the Bank, the sum of \$750,000,000, in accordance with and subject to the terms and conditions of such resolution.

"(b) There is hereby authorized to be appropriated without fiscal year limitation, for the United States share in the increase in the resources of the Fund for Special Operations of the Bank, the sum of \$750,000,000."

With the following committee amendment:

Page 2, line 3, strike out "Sec. 2. The Inter-American Development Bank Act" and insert "That the Inter-American Development Bank Act".

The committee amendment was agreed to.

#### AMENDMENT OFFERED BY MR. WIDNALL

MR. WIDNALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIDNALL: on page 2, line 16, immediately before the period insert the following: ", except that prior to the payment of each of the three equal installments required by such resolution the President shall have determined, after taking into account the effect upon the balance-of-payments position of the United States, that such payment is in the national interest of the United States".

MR. WIDNALL. Mr. Chairman, the recent action of the House in connection with gold reserves very clearly pointed out our unfavorable position with reference to the balance of payments. We must face up to this and face the facts.

In the hearings held on this bill I think the prime concern of the members of the committee was how the money that would be authorized in this bill would affect our balance-of-payments position. The proposal that I have submitted would show the will of the Congress in this direction and call upon the President to make a determination before each of the installments of \$250 million was paid into the Bank.

I would like to call the attention of the House to this, that the resolution that was adopted at Panama City on April 16, 1964, was a recommendation that had to be approved by the various governments. What we are doing would give authority to the U.S. Governor of the Bank to vote in favor of the resolution. You will find if you will look back at that resolution, and it is on page 179 of the hearings, there is a clause in which it is stated:

The additional contributions shall be made in three equal installments payable, respectively, on or before December 31, 1964, De-

cember 31, 1965, and December 31, 1966, or such later dates as the Board of Executive Directors may determine.

In other words, it is a flexible situation with respect to the yearly installments.

At the time that this was submitted it was contemplated that action would be taken by the United States prior to the end of 1964. That date has already passed. I do not think this amendment would in any way affect the ability to act under the legislation. I think it would clearly point up the fact that there is a recognition by the President of what is the current situation in the balance-of-payments field, and that he does feel the payment is in the national interest of the United States if he makes this determination.

I would like to read once more what is contained in the amendment:

Except that prior to the payment of each of the three equal installments required by such resolution the President shall have determined, after taking into account the effect upon the balance-of-payments position of the United States, that such payment is in the national interest of the United States.

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

MR. WIDNALL. I yield to the gentleman from Iowa.

MR. GROSS. It has not been so long ago this country dumped, if I remember correctly, around \$60 million into Argentina, and promptly thereafter the Argentine Government bought or procured some \$40 or \$45 million in gold. Would the gentleman's amendment stop this kind of shenanigan wherein we put aid money into a country and it promptly turns around and takes out much of it in our gold?

MR. WIDNALL. There is nothing binding in any way in this amendment as far as the gold flow is concerned. We have discussed this with our officials and they say, I believe, that we have understandings with these other countries that they would not call for gold. We can either pay in gold or in dollars or in currencies of the other countries. I believe that is the understanding at the present time. I would not anticipate any outflow of gold.

MR. Chairman, I urge the adoption of the amendment.

MR. REUSS. Mr. Chairman, I rise in opposition to the amendment.

I oppose this amendment because it is unnecessary and vexatious. It unduly restricts the operations of the President of the United States. The Secretary of the Treasury informs me that it would be a disastrous encrustation on this bill to add such an amendment.

Let us take a look at just what it does. While its sponsor has said that it would only require three separate findings and certifications by the President during the life of this bill, it is quite possible from the language that the President would be required to certify every time a payment is made. So it could well be that every time an order is placed under the Alliance, the President would have to drop his concern with the domestic welfare or the national defense or foreign policy and satisfy the requirement which

is sought to be imposed in this bill. But even if there were only three such certifications, that is three too many, because the President and the administration and the Secretary of the Treasury and the Secretary of State have come before the Congress and made it crystal clear how well protected our balance of payments is under this bill. Unlike other foreign aid endeavors this bill locks the door on balance-of-payments leakages. To a degree of 90 or 95 percent, it insures that every dollar will be spent in the United States. Indeed, if more dollars could be made available under this bill than are sought to be made available, it is quite clear that they would also be spent in the United States, because, Venezuela aside, Latin America runs a billion dollar trade and services deficit annually with the United States. If we adopt an amendment like this, we can be assured that hampering and vexatious and humiliating amendments will be offered to every bill to come before this House, requiring the President to certify 1 or 2 or 3 or 300 times that no expenditure that the executive branch makes will in any way harm our balance of payments.

Let me conclude by reminding Members that just within the last few weeks the Government of our friendly neighbor to the north, Canada, agreed to participate in the Alliance for Progress, and in this Special Operation Fund, to the initial extent of \$10 million. While it may not sound like much to us, is a lot to the balance-of-payments-beleaguered country of Canada. When the Canadian Government approved that, it did not impose upon the Canadian chief of state any humiliating, niggling straitjacket requirement that Prime Minister Pearson certify every 5 minutes that it would have no impact upon the Canadian balance of payments.

I hope the Congress of the United States will not impose a requirement on the President of the United States which our neighbor, Canada, did not see fit to impose upon their Chief Executive. If you want to humiliate the President, if you want to torpedo the Alliance for Progress, vote for this amendment. I hope it will be overwhelmingly defeated.

MR. WIDNALL. Mr. Chairman, will the gentleman yield?

MR. REUSS. I am glad to yield to the gentleman from New Jersey.

MR. WIDNALL. The gentleman stated earlier that there would be partial contributions. It is clearly stated in the agreement:

The additional contributions shall be made in three equal installments.

How could there be a partial contribution, when it is clearly stated in the agreement there will be three equal installments?

MR. REUSS. I am glad to answer the gentleman. The annual installments of the contribution are made by a promissory note or an I O U and the actual payments—this is the operative word in the gentleman's amendment—are made in "dibs and dabs" over the 3 years, as the vouchers come in. Therefore, it could be that the President would be required to make hundreds of certifications. Even if

he were required to make only three certifications, that is about three too many.

Mr. WIDNALL. I believe the gentleman used the words "a hampering amendment" or a "silly amendment" that would tie us up in our operations.

Mr. REUSS. I believe it was "hampering."

Mr. WIDNALL. I personally feel we have a tremendous responsibility in this Congress to do something and to do something drastic with respect to the balance-of-payments situation. I believe we are going to be very silly and we will be tampering with the national welfare if we do not face up to the facts of the issue and get on the record exactly how we feel.

Mr. BROCK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I notice the language in the committee report:

At this time, both the United States and Canada find it necessary to tie their contributions to procurement in their own countries. This limitation should be discontinued as soon as balance-of-payments problems are resolved.

I would address my question to the author of the amendment. As the bill is presently written, who would make the determination? Would it be the President? Would it be the Bank? When would the determination be made? Is it not true that the bill is entirely loose in this regard, and that the amendment in fact would strengthen the hand of the President and give him authority to make a determination?

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

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

Mr. WIDNALL. As the agreement is written, it says "or such later dates as the Board of Directors may determine." I believe this is the answer to the question.

Mr. BROCK. It seems to me that rather than being a weakening amendment, as the gentleman from Wisconsin stated, the amendment would in fact strengthen the hand of the President. It would require annually a review of this balance-of-payments problem and our contribution to the Bank. At such time as the second or third letter of credit were due to be issued, the President would have the authority to forgo that letter of credit if it became so critical that it would adversely affect our balance of payments and, second, of course, the economy of the United States. Is that not true?

Mr. WIDNALL. That is true.

I should like to point out that our contribution will be made in sound money. I cannot believe that this amendment would in any way tie up the future of the program, unless it were going to be operated against our national interest. The other countries, which are going to be putting in their currencies—many of them far from as stable as ours—certainly will not wish to see the sound money going into the program go down the drain. I believe they would be pleased to go along with us.

Mr. BROCK. I congratulate the gentleman on his amendment. I believe the balance-of-payments problem has been oversimplified and understudied by the administration and by the Congress. It is high time we took a firm stand on this problem and faced a major and critical problem before us, as encompassed in the amendment. I support the amendment strongly.

Mr. MULTER. Mr. Chairman, I rise in opposition to the pro forma amendment and in opposition to the amendment.

It is important that we should understand what we are trying to do here. An agreement has been negotiated by all the countries which are members of this Bank. Eighteen of the 19 other countries have already approved this agreement. Those countries did so last year, prior to the time the bill was sent to us. The date then fixed for the contribution to be made, the first of three annual installment contributions by each country, was fixed for December 1964.

That date has gone by and the Board of Directors of the Bank extended that date until June 30, 1965, solely because the United States had not approved the agreement. We are now asked here by this bill to approve the agreement. We can either approve it or not. If we do not approve it, the Bank will cease operating some time before June 1965. That is the main issue presented, and it is presented by this amendment, too. If this amendment prevails, then it will be necessary to go back to each of the other 19 countries and renegotiate the agreement. Each of the 18 other countries has approved it without any conditions and without any ifs, ands, or buts.

Now, with all of this talk about an imbalance of payments, bear this in mind: No one who has made an argument about the balance of payments can deny that for almost every dollar we put into this program, in exchange for that dollar we will export \$1 worth of American goods. That being so, it cannot affect the balance of payments one iota.

Under this agreement, as we will approve it if we pass this bill, not one dollar of U.S. money will be used by this Bank except that we export \$1 worth of goods or services in exchange for it. That is the express representation by the Secretary of the Treasury who spoke for the President. To put any language like this in is to say that you do not believe that the Secretary of the Treasury is talking for the administration. His representation which, we repeated in our report, is that practically every dollar of the U.S. contribution will be used for the payment of exports from the United States. The language that has been referred to about correcting the balance of payments was language addressed to what is happening in each of these other countries, indicating to them that we expect them to balance their payments as we expect to balance ours. There is nothing that you can do to balance the payments of the United States by adding this language. This is merely a request for certification by the President, which is meaningless and does not do a thing

except to take up the time of the President.

Bear in mind that although there are three installments called for of \$250 million each annually for 1965, 1966, and 1967, having approved this agreement and agreed to make these contributions, we make the payments when the Bank calls for them. Before we will make the payments, assuming, of course, that the Committee on Appropriations will bring in a bill and we appropriate the \$250 million for this year, the Bank will call for as much of that as it needs. As the Bank calls for this money, each time it calls for it, we will have to go to the White House and ask the President to give us another certification, which means a complete review again. All he will be doing is certifying that the Secretary of the Treasury or the U.S. representative on this Bank is doing his duty in compliance with the law and is making sure that this money is being used only for exports from the United States.

Mr. Chairman, I urge the defeat of the amendment.

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

Mr. MULTER. I yield to the gentleman from Tennessee.

Mr. BROCK. May I point out to the gentleman in our committee report we quoted the Secretary of the Treasury, Mr. Dillon, who said:

All the funds contributed by the United States will be restricted to purchases of material here in the United States or in the country to which the loan is made, and under exceptional circumstances, possibly in other Latin American countries.

Mr. Dillon's testimony at no time said that 100 percent of this money has to get back to this country in the form of goods and services exported. What they said is the agreement requires 80 percent come back, but they also admitted it was completely impossible to tie this down because it could supplant dollars that would be coming back to this country.

Mr. PATMAN. Mr. Chairman, this amendment has been fully discussed on both sides. I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. WIDNALL].

The question was taken, and the Chair announced that the ayes appeared to have it.

Mr. WIDNALL. Mr. Chairman, I demand tellers.

Tellers were ordered, and the chairman appointed as tellers Mr. WIDNALL, of New Jersey, and Mr. PATMAN, of Texas.

The Committee divided, and the tellers reported that there were—ayes 72, noes 141.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. FINO

Mr. FINO. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. FINO: on page 2, line 15, strike out "\$750,000,000" and insert in lieu thereof the following: "\$725,000,000".

On page 2, line 20, strike out "\$750,000,000" and insert in lieu thereof "\$725,000,000".



Mr. FINO. Mr. Chairman, this is a very simple amendment. It is designed to do one simple thing. This amendment proposes to reduce the authorization in this bill. It proposes to cut the authorization in this bill by only \$25 million so that instead—so that instead of giving—and that is exactly what we are doing in this program—the Inter-American Development Bank \$750 million we will only give it \$725 million.

Mr. Chairman, I say to the Members of this body that it will not jeopardize the program. It will not disturb the program. It will not do anything to this program except to give it \$25 million less.

Now, Mr. Chairman, the \$25 million we save through the adoption of this amendment can be made available to support the veterans' facilities which the President wants to close for reasons of economy. To me this is a very, very simple choice. We can spend this money on our own veterans who deserve it or we can throw it down the drain in South America. When I say "throw it down the drain in South America," I am not just using a figure of speech. I say this, Mr. Chairman, because of the money used by the Fund for Special Operations of the Inter-American Development Bank turns up being used for sewage and irrigation projects. Perhaps, now and then these projects really accomplish something. However, most of the time I believe our money might as well be dumped into a pool of bottomless quicksand.

Mr. Chairman, what kind of a dent has America made in the social problems of Latin America so that aid should be maintained and continued at a high level at the expense of America's veterans? Insofar as I am concerned I can see no great peril to our foreign policy in slashing \$25 million from this program. I see no harm to be done in taking \$25 million out of the \$750 million and giving it to our veterans.

Actually, we might gain in other ways than just giving our veterans that which is their due. By that I mean that we have a balance-of-payments problem. This has been repeated and repeated and repeated time and time again here on the floor of the House today. The President refuses to face up to its severity. I believe we must face up to that problem. I believe this is a serious problem.

Mr. Chairman, we must cut our overseas expenditures. One of the first things that ought to go is the fat in all of these foreign loan-foreign aid programs. This program has \$25 million worth of fat in it. It probably has a lot more than \$25 million worth of fat, but \$25 million will do the trick and it will be a good start. We will be able to use it for a good purpose. To those of you—and I would like to address myself more particularly to those Members on the Democratic side of the aisle—who have violently and vigorously protested the closing of 31 VA installations, including hospitals, domiciliary homes, and regional offices, I say now is the time to react, now is the time to express yourself,

now is the time to follow up your vocal protests with concrete action.

Now is the time for the Members of the House to say: Yes, let us take off \$25 million from this kind of foreign aid program and show that we care about our veterans and our balance-of-payments problem more than we care about South American sewers. If South America has fewer sewers, I am sure that they will survive. Certainly our own veterans' facilities are equally if not more important to us than a string of ultramodern South American sewers.

Mr. Chairman, if we are to be charitable, let us be sure that our charity starts right here at home.

I urge the adoption of the Fino amendment.

Mr. HANNA. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this opportunity to make the point that was made in committee when this amendment was offered. I am sure you with myself have noticed that many times in great zeal and in an interest that is localized very pointedly on one aspect of things, we can get distorted conclusions.

This amendment reminds me of a story that is told about a certain young scientist who was all wrapped up in experimental communication with grasshoppers. He called excitedly upon his colleagues and said: "Look what I found out in this great field of endeavor." They came in to witness the experiment. He spoke into his little electronic device the word "hop" and the grasshopper responded with a hop. He says, "Now, watch this." He took off one of the legs of the grasshopper and spoke again the word "hop." The grasshopper hopped. He took off another leg. There were only four left. He said, "hop," and the grasshopper responded by hopping. So, then he took off all the legs and said, "hop," but the grasshopper did nothing.

Then he said, "Gentlemen, you see what I have proven. When a grasshopper loses his legs he loses his hearing."

I suggest in the amendment that is before you here there is just as much likelihood that the millions you cut off the IDB are going to go to the Veterans' Administration as there is a likelihood that there is a connection between a grasshopper losing his legs and losing his hearing.

I suggest that we vote down this grasshopper amendment and get on with the business.

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

Mr. HANNA. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Chairman, I think the gentleman's illustration is well understood by the House. Obviously the question of whether we are going to authorize a certain figure for this program is one thing; the Committee on Veterans' Affairs hearings on the subject of veterans hospitals, is another thing. This has no more to do with whether we will keep open or close down veterans' facilities than the flowers that bloom in the spring or the grasshoppers that might

feed upon them. This is no way to legislate.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask someone on the Banking and Currency Committee if it is true there is nothing in this legislation that would prohibit these countries, the beneficiaries of the \$750 million, from drawing down gold in exchange for all the dollars they can get hold of? Can anybody on the committee help me out with this?

Mr. REUSS. If no one on the minority side wishes to answer, I will be glad to.

Mr. GROSS. I yield.

Mr. REUSS. There is absolutely no gold-drawing potential whatsoever in the activities of the Inter-American Development Bank. The countries of Latin America are in a very serious balance-of-payments deficit to the United States, individually and collectively. In any event, gold cannot be drawn except by the central banks or monetary authorities.

Mr. GROSS. How about the Argentine's drawing down some \$40 or \$45 million worth of gold after being handed millions through the foreign aid program?

Mr. REUSS. Argentina, like any other trading country in the world, needs gold. Perhaps that was a necessary action by the Argentine central bank. I might add, as long as this country remains the guarantor to pay gold in return for dollars to any central bank, we provide the foundation of the international monetary system.

Mr. GROSS. Let me ask the gentleman this question: Why do we not trade the wheat that we ship to Central and South America for their coffee?

Mr. REUSS. Because if we traded it for their coffee, they would then lose an intensely valuable item of foreign exchange, which enables them partially to diminish the deficits which they run. If we adopted the gentleman's proposal, we would then have to give them foreign aid in return if we were going to combat communism there.

Mr. GROSS. What you are saying is that they demand we pay them in dollars for their coffee while we provide them with wheat at bargain prices, paid in their unconvertible currency, or give it to them outright.

Mr. REUSS. We, in our self-interest, want to pay them in our good hard-currency dollars, so that they may keep their nose above water and survive in this world.

Mr. GROSS. So they certainly can translate those dollars into gold if they are so disposed and further compound our balance-of-payments problems.

Mr. REUSS. This is in the national interest if it puts them in a firm position, and we should encourage that.

Mr. GROSS. In addition to giving them foreign aid, military assistance, and millions of dollars through soft-loan windows I am sure there will be hundreds of millions of dollars that will never be repaid to this country on the basis of past performance.

Mr. REUSS. So far the repayment has been 100 percent.

Mr. GROSS. In addition to all of this and the \$750 million you are prepared to vote through here today, we are about to implement a coffee agreement to take more millions out of the hides of the consumers and taxpayers of this country, by stabilizing prices of coffee to the South American producers at artificially high levels.

Mr. REUSS. The purpose of stabilizing the price of export commodities like coffee and tropical hardwoods and cocoa is so that we will have to contribute less in foreign aid. This saves us money.

Mr. GROSS. You are increasing foreign aid to this area all the time. This bill is an example.

I would like to ask my friend, the gentleman from Minnesota [Mr. LANGEN], if he thinks he could convince the taxpayers he represents in Minnesota or I could convince the taxpayers in the Third District of Iowa that we ought to stabilize the high price of coffee and take it out of the hides of the American consumers, while proceeding with programs of this kind, dumping another \$750 million down the drain. Does the gentleman think we could convince our constituents that this is good business?

Mr. LANGEN. Of course, we cannot convince our constituents that this is good business. I want to commend the gentleman from Iowa for the very convincing manner in which he has brought this point to the attention of the House at this time. I would point out to my colleagues that we might well take cognizance of the excellent argument that he has made.

Mr. Chairman, I wish to concur in the move by our colleague, the gentleman from New York [Mr. FINO], who has moved to reduce the Inter-American Development Bank authorization from \$750 to \$725 million, thus saving the taxpayers of this Nation \$25 million which could well be used for such purposes as keeping those veterans' installations open that the administration is trying to close.

I am not questioning the logic or reasoning behind the creation of additional funds for the Inter-American Development Bank, even though the total authorization in this bill leaves a number of unanswered questions relative to the actual need for that much money being supplied by the United States. I certainly can understand the need for development funds, however, with which to assist the Americas in building strong economies and repelling communism. The only question here might be the degree of our assistance.

However, we must remember that this request today for three-quarters of a billion dollars actually represents another venture into foreign aid. We seem to have a number of programs that actually constitute foreign aid, but do not appear in the foreign aid bill. We cannot consider any one of these items without thinking of the total picture.

That is why it seems incongruous that we can spend billions of dollars, including the funds requested by us today, on

foreign aid at the very moment when we are told that veterans' installations in many of our rural areas must be curtailed or eliminated in the name of economy, regardless of the effect on the veteran and his family.

My purpose in speaking today is to call attention to the comparison—billions for other nations, but not even millions for our veterans who paid a terrible physical and mental price in so many instances to guarantee that there would still be an Uncle Sam for the world to grasp in time of need.

We will receive many other requests for funds during this session of Congress. It is hoped that we will put these requests in proper perspective.

I support the move to reduce the authorization in H.R. 45 by \$25 million. Perhaps it will serve as a reminder to us of the folly of pinching pennies for our veterans and other needy while spreading our largess around the globe.

Mr. PATMAN. Mr. Chairman, this amendment has been pretty well discussed and I ask for a vote.

Mr. FINO. Mr. Chairman, in view of the fact that there has been a great deal of conversation going back and forth, may I ask that the Clerk read the amendment again.

The CHAIRMAN. Without objection, the Clerk will read the amendment.

The Clerk read as follows:

Amendment offered by Mr. FINO: On page 2, line 15, strike out "\$750,000,000" and insert in lieu thereof the following: "\$725,000,000".

On page 2, line 20, strike out "\$750,000,000" and insert in lieu thereof "\$725,000,000".

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. FINO].

The question was taken; and on a division (demanded by Mr. FINO), there were—ayes 70, noes 145.

So the amendment was rejected.

Mr. ADAIR. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during the course of this debate some things have been said that I think need to be restated and kept carefully in our minds.

First of all, if we vote for this proposal before us here today, make no mistake about it—we are voting for increased foreign aid. I have pointed out repeatedly in previous debates upon these matters that foreign aid is not a single bill that bears the title "Foreign Assistance Act" but rather it is many things, including the Inter-American Development Bank. So instead of the approximately \$3.4 billion that we are told is the foreign aid request for this year, that figure must be increased by various amounts including the \$250 million for fiscal 1966 as authorized by this legislation. We are asked to authorize, over a 3-year period, \$750 million for the Fund for Special Operations, the soft loan window of the IDB.

Second, if we vote for this legislation, we are voting for an acceleration of the tendency to administer our aid through international funds with little control vested in us.

More and more we are finding ourselves in the position where we say, "Here is an aid problem. Let us meet it by giving money to international funds." These funds, without exception, are largely controlled by agencies other than our own National Government, and to that extent we are speeding up the process of taking from ourselves control over the expenditure of our own funds.

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

Mr. ADAIR. I yield to the gentleman from New York, briefly.

Mr. MULTER. This Bank, under its rules and the law which approved it, can make loans only by a two-thirds vote. The United States representatives control better than 40 percent of those funds, and without their consent no loans can be made.

Mr. ADAIR. I am aware of the truth of what the gentleman has said. However, I am speaking of our governmental control. Once these representatives are appointed, they have the right to make the decisions.

We do control about 42 percent of the vote, but these gentlemen can act in their official capacity as directors, not as representatives of our Government.

Mr. MULTER. Surely the gentleman does not believe for 1 minute that these American representatives would act contrary to the directions of our Secretary of the Treasury and of our President.

Mr. ADAIR. The gentleman believes they will act on their own best judgment, without being controlled by our Secretary of the Treasury.

Mr. MULTER. On the contrary, they are supposed to follow the directions of our Government. That is why they are our governmental representatives.

Mr. ADAIR. I know what they are supposed to do. I am telling the gentleman what the gentleman from Indiana believes they will or will not do.

By voting for this legislation, further, we are decreasing congressional control over this money. We authorize and appropriate these funds and turn them over to the IDB which then determines how they shall be spent. But our representatives on the Board which spends the money, as just indicated in the exchange with the gentleman from New York, are appointees of the executive branch of the Federal Government. As the gentleman himself has pointed out, if they are responsible to any branch of the Federal Government, it is to the executive.

So I say that we are surrendering to a very considerable degree congressional control over the use to which these funds are put.

It is also clear, I believe, that the question of flexibility, about which we have heard so much in connection with other bills, is important. In my opinion, this flexibility is lost if we handle our aid programs through such agencies as the Bank. Rather than leaving control, and consequent flexibility in the hands of the President, we remove it from him by giving control to those in charge of the IDB.

For these reasons, Mr. Chairman, I would urge that we vote against the bill.



The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. GALLAGHER, 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. 45) to amend the Inter-American Development Bank Act to authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank, pursuant to House Resolution 234, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were 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.

#### MOTION TO RECOMMIT

Mr. FINO. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. FINO. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. FINO moves to recommit the bill (H.R. 45) to the Committee on Banking and Currency with instructions to report the same to the House forthwith with the following amendments:

On page 2, line 15, strike out "\$750,000,000" and insert in lieu thereof the following: "\$725,000,000".

On page 2, line 20, strike out "\$750,000,000" and insert in lieu thereof "\$725,000,000".

Mr. PATMAN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. FINO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 142, nays 237, not voting 54, as follows:

[Roll No. 19]

#### YEAS—142

Abernethy	Berry	Corbett
Adair	Bow	Cramer
Addabbo	Bray	Cunningham
Anderson, III.	Brook	Curtin
Andrews,	Brown, Ohio	Curtis
George W.	Broyhill, N.C.	Dague
Andrews,	Broyhill, Va.	Davis, Wis.
Glenn	Buchanan	Derwinski
Andrews,	Byrnes, Wis.	Devine
N. Dak.	Cahill	Dickinson
Arends	Callaway	Dole
Ashbrook	Carter	Dorn
Ashmore	Chamberlain	Dowdy
Ayres	Clancy	Dulski
Baldwin	Clausen,	Duncan, Tenn.
Bates	Don H.	Dwyer
Battin	Cleveland	Edwards, Ala.
Belcher	Collier	Ellsworth
Bennett	Conable	Everett

Findley	Latta
Fino	Lipscomb
Ford, Gerald R.	McClary
Fulton, Pa.	McCulloch
Fuqua	McDade
Gathings	McEwen
Goodell	Marsh
Griffin	Martin, Ala.
Gross	Martin, Mass.
Grover	Martin, Nebr.
Gurney	May
Hagan, Ga.	Michel
Haley	Minshall
Hall	Mize
Halleck	Moore
Halpern	Morton
Hansen, Idaho	O'Konek
Harsha	Passman
Harvey, Ind.	Pelly
Hébert	Pirnie
Herlong	Poff
Horton	Pool
Hutchinson	Randall
Ichord	Reld, Ill.
Johnson, Pa.	Riefel
Jonas	Rivers, S.C.
Keith	Robison
Kernagay	Rogers, Fla.
Laird	Rumsfeld
Langen	Saylor

#### NAYS—237

Adams	Gialmo	Moeller
Albert	Gibbons	Monagan
Anderson,	Gilbert	Morgan
Tenn.	Gilligan	Morris
Annunzio	Gonzalez	Morrison
Ashley	Grabowski	Morse
Bandstra	Gray	Mosher
Barrett	Green, Pa.	Moss
Beckworth	Greigg	Multer
Bingham	Grider	Murphy, Ill.
Biatnik	Griffiths	Murphy, N.Y.
Boggs	Hamilton	Murray
Boland	Hanley	Natcher
Bonner	Hanna	Nedzi
Brademas	Hansen, Iowa	Nix
Brooks	Hansen, Wash.	O'Hara, Ill.
Broomfield	Hardy	O'Hara, Mich.
Burke	Harris	Olsen, Minn.
Burleson	Hathaway	O'Neill, Mass.
Burton, Calif.	Hawkins	Ottinger
Byrne, Pa.	Hays	Patman
Callan	Hechler	Patten
Cameron	Helstoski	Pepper
Carey	Henderson	Perkins
Casey	Hicks	Philbin
Chelf	Hollifield	Pickle
Clark	Holland	Pike
Clevenger	Howard	Poage
Cobelan	Hull	Powell
Conte	Hungate	Price
Conyers	Huot	Pucinski
Cooley	Irwin	Purcell
Craley	Jacobs	Race
Culver	Jarman	Redlin
Daddario	Jennings	Reld, N.Y.
Daniels	Joelson	Resnick
Davis, Ga.	Johnson, Okla.	Reuss
Dawson	Jones, Ala.	Rhodes, Pa.
de la Garza	Jones, Mo.	Rivers, Alaska
Delaney	Karsten	Roberts
Dent	Karth	Rodino
Denton	Kee	Rogers, Colo.
Dingell	Kelly	Rogers, Tex.
Donohue	Keogh	Ronan
Dow	King, Utah	Roncalio
Downing	Kirwan	Rooney, N.Y.
Duncan, Ore.	Kluczynski	Rooney, Pa.
Dyal	Krebs	Rosenthal
Edmondson	Landrum	Rostenkowski
Edwards, Calif.	Leggett	Roush
Evans, Colo.	Lennon	Roybal
Evins, Tenn.	Lindsay	Ryan
Fallon	Long, Md.	Satterfield
Farbstein	Love	St Germain
Farnum	McCarthy	St. Onge
Fascell	McDowell	Scheuer
Felghan	McFall	Schlesier
Flood	McGrath	Schmidhauser
Flynt	McVicker	Scott
Fogarty	Machen	Senner
Foley	Mackay	Shipley
Ford	Mackie	Sickles
William D.	Madden	Slack
Fountain	Mahon	Smith, Iowa
Fraser	Mailliard	Smith, Va.
Frelinghuysen	Matsonaga	Staggers
Friedel	Meeds	Staibbaum
Fulton, Tenn.	Miller	Steed
Gallagher	Mills	Stephens
Garmatz	Minish	Stratton
Gettys	Mink	

Sullivan	Tupper	White, Tex.
Sweeney	Tuten	Whitener
Teague, Tex.	Ullman	Willis
Tenzer	Van Deerlin	Wolff
Thomas	Vanik	Wright
Thompson, La.	Vigorito	Yates
Thompson, N.J.	Vivian	Young
Todd	Walker, N. Mex.	Zablocki
Trimble	Weltner	

#### NOT VOTING—54

Abbitt	Green, Ore.	O'Neal, Ga.
Aspinall	Gubser	Quile
Baring	Hagen, Calif.	Quillen
Bell	Harvey, Mich.	Reinecke
Betts	Hosmer	Rhodes, Ariz.
Bolling	Johnson, Calif.	Roosevelt
Bolton	Kastenmeyer	Roudebush
Brown, Calif.	King, Calif.	Sisk
Burton, Utah	King, N.Y.	Springer
Cabell	Kunkel	Thompson, Tex.
Cederberg	Long, La.	Toll
Celler	McMillan	Tunney
Clawson, Del.	Macdonald	Udall
Colmer	MacGregor	Walker, Miss.
Corman	Mathias	White, Idaho
Diggs	Matthews	Wilson,
Erlenborn	Moorhead	Charles H.
Farnsley	Nelsen	
Fisher	O'Brien	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Rhodes of Arizona for, with Mr. Toll against.

Mr. Quillen for, with Mr. King of California against.

Mr. Del Clawson for, with Mr. Roosevelt against.

Mr. Long of Louisiana for, with Mr. Cabell against.

Mr. Baring for, with Mr. O'Brien against.

Mr. O'Neal of Georgia for, with Mr. Celler against.

Mr. Walker of Mississippi for, with Mr. Macdonald against.

Mr. Roudebush for, with Mr. Udall against.

Mr. Nelsen for, with Mr. Moorhead against.

Mr. Kunkel for, with Mr. Aspinall against.

Mr. Reinecke for, with Mr. Sisk against.

Mr. Fisher for, with Mr. Johnson of California against.

Mr. Burton of Utah for, with Mr. White of Idaho against.

Mr. King of New York for, with Mr. Charles H. Wilson against.

Mr. Bolton for, with Mr. Tunney against.

Mr. Cederberg for, with Mr. Corman against.

Mr. McMillan for, with Mr. Brown of California against.

Mr. Hosmer for, with Mr. Hagen of California against.

Mr. Quile for, with Mr. Diggs against.

Until further notice:

Mr. Matthews with Mr. Springer.

Mr. Thompson of Texas with Mr. Mathias.

Mr. Colmer with Mr. Bell.

Mrs. Green of Oregon with Mr. MacGregor.

Mr. Kastenmeyer with Mr. Gubser.

Mr. Abbitt with Mr. Harvey of Michigan.

Mr. WILLIS changed his vote from "yea" to "nay."

Mr. STUBBLEFIELD changed his vote from "nay" to "yea."

Mr. REID of New York changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. PATMAN. Mr. Speaker, on this vote I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas, 288, nays 93, not voting 52, as follows:

## [Roll No. 20]

## YEAS—288

Adams  
Addabbo  
Albert  
Anderson, Tenn.  
Andrews, N. Dak.  
Annunzio  
Arends  
Ashley  
Baldwin  
Bandstra  
Barrett  
Bates  
Beckworth  
Bennett  
Bingham  
Blatnik  
Boggs  
Boiland  
Brademas  
Brooks  
Broomfield  
Burke  
Burton, Calif.  
Byrne, Pa.  
Cahill  
Callan  
Cameron  
Carey  
Carter  
Casey  
Chelf  
Clark  
Cleveland  
Clevenger  
Cohelan  
Collier  
Conable  
Conte  
Conyers  
Cooley  
Corbett  
Craley  
Culver  
Curtin  
Daddario  
Daniels  
Davis, Ga.  
Davis, Wis.  
Dawson  
de la Garza  
Delaney  
Dent  
Denton  
Derwinski  
Dingell  
Donohue  
Dow  
Downing  
Dulski  
Duncan, Oreg.  
Dwyer  
Dyal  
Edmondson  
Edwards, Calif.  
Ellsworth  
Evans, Colo.  
Everett  
Evins, Tenn.  
Fallon  
Farbstein  
Farnum  
Fascell  
Felghan  
Findley  
Fino  
Flood  
Flynt  
Fogarty  
Foley  
Ford, Gerald R.  
Ford, William D.  
Fraser  
Frelinghuysen  
Friedel  
Fulton, Pa.  
Fulton, Tenn.  
Gallagher  
Garmatz  
Gettys  
Glaimo  
Gibbons  
Gilbert  
Gilligan  
Gonzalez

Grabowski  
Gray  
Green, Pa.  
Greig  
Grider  
Griffin  
Griffiths  
Grover  
Halpern  
Hamilton  
Hanley  
Hanna  
Hansen, Iowa  
Hansen, Wash.  
Hardy  
Hathaway  
Hawkins  
Hays  
Hechler  
Helstoski  
Henderson  
Herlong  
Hicks  
Hollfield  
Holland  
Horton  
Howard  
Hull  
Hungate  
Huot  
Irwin  
Jacobs  
Joelson  
Johnson, Okla.  
Johnson, Pa.  
Jones, Ala.  
Karsten  
Karth  
Kee  
Keith  
Kelly  
Keogh  
King, Utah  
Kirwan  
Kluczyński  
Krebs  
Landrum  
Leggett  
Lindsay  
Long, Md.  
Love  
McCarthy  
McClary  
McDade  
McDowell  
McFall  
McGrath  
McVicker  
Machen  
Mackay  
Mackie  
Madden  
Mahon  
Maillard  
Marsh  
Martin, Mass.  
Mathias  
Matsunaga  
May  
Meeds  
Michel  
Miller  
Mills  
Minish  
Mink  
Mize  
Moeller  
Monagan  
Morgan  
Morris  
Morrison  
Morse  
Morton  
Mosher  
Moss  
Multer  
Murphy, Ill.  
Murphy, N.Y.  
Murray  
Natcher  
Nedzi  
Nix  
O'Hara, Ill.  
O'Hara, Mich.  
Olsen, Mont.  
Olson, Minn.  
O'Neill, Mass.

Ottenger  
Patman  
Patten  
Pelly  
Pepper  
Perkins  
Philbin  
Pickle  
Pike  
Pirnie  
Poage  
Poff  
Powell  
Price  
Pucinski  
Purcell  
Race  
Redlin  
Reid, N.Y.  
Resnick  
Reuss  
Rhodes, Pa.  
Rivers, S.C.  
Rivers, Alaska  
Robison  
Rodino  
Rogers, Colo.  
Rogers, Fla.  
Ronan  
Rooney, N.Y.  
Rooney, Pa.  
Rosenthal  
Rostenkowski  
Roush  
Roybal  
Rumsfeld  
Ryan  
Satterfield  
St Germain  
St. Orme  
Saylor  
Scheuer  
Schisler  
Schmidhauser  
Schneebeli  
Schweiker  
Scott  
Selden  
Sennner  
Shipley  
Shriver  
Sickles  
Sikes  
Skubitz  
Slack  
Smith, Iowa  
Smith, N.Y.  
Smith, Va.  
Springer  
Stafford  
Staggers  
Stalbaum  
Stanton  
Steed  
Stephens  
Stratton  
Stubbsfield  
Sullivan  
Sweeney  
Talcott  
Tenzer  
Thomas  
Thompson, La.  
Thompson, N.J.  
Todd  
Trimble  
Tupper  
Tuten  
Ullman  
Van Deerlin  
Vanik  
Vigorito  
Vivian  
Walker, N. Mex.  
Watts  
Weltner  
Whalley  
White, Tex.  
Whitall  
Willis  
Wolff  
Wright  
Wyatt  
Wydler  
Yates  
Young  
Zablocki

## NAYS—93

Abernethy  
Adair  
Anderson, Ill.  
Andrews, George W.  
Andrews, Glenn  
Ashbrook  
Ashmore  
Ayres  
Battin  
Belcher  
Berry  
Bonner  
Bow  
Bray  
Brook  
Brown, Ohio  
Broyhill, N.C.  
Broyhill, Va.  
Buchanan  
Burleson  
Byrnes, Wis.  
Callaway  
Chamberlain  
Clancy  
Clausen, Don H.  
Cramer  
Cunningham  
Curtis  
Dague

Devine  
Dickinson  
Dole  
Dorn  
Dowdy  
Duncan, Tenn.  
Edwards, Ala.  
Fisher  
Fountain  
Fuqua  
Gathings  
Goodell  
Gross  
Gurney  
Hagan, Ga.  
Haley  
Hall  
Halleck  
Hansen, Idaho  
Harris  
Harsha  
Harvey, Ind.  
Hébert  
Hutchinson  
Ichord  
Jarman  
Jennings  
Jonas  
Jones, Mo.  
Kornegay  
Laird  
Langen

Latta  
Lennon  
Lipscomb  
McCulloch  
McEwen  
Martin, Ala.  
Martin, Nebr.  
Minshall  
Moore  
O'Konski  
Passman  
Pool  
Randall  
Reid, Ill.  
Relfel  
Roberts  
Rogers, Tex.  
Secret  
Smith, Calif.  
Taylor  
Teague, Calif.  
Teague, Tex.  
Thomson, Wis.  
Tuck  
Utt  
Waggonner  
Watkins  
Whitener  
Whitten  
Williams  
Wilson, Bob  
Younger

## NOT VOTING—52

Abbott  
Aspinall  
Baring  
Bell  
Betts  
Bolling  
Bolton  
Brown, Calif.  
Burton, Utah  
Cabell  
Cederberg  
Celler  
Clawson, Del.  
Colmer  
Corman  
Diggs  
Erlenborn  
Farnsley

Green, Oreg.  
Gubser  
Hagen, Calif.  
Harvey, Mich.  
Hosmer  
Johnson, Calif.  
Kastenmeier  
King, Calif.  
King, N.Y.  
Kunkel  
Long, La.  
McMillan  
Macdonald  
MacGregor  
Matthews  
Moorhead  
Nelsen  
O'Brien

O'Neal, Ga.  
Quile  
Quillen  
Reinecke  
Rhodes, Ariz.  
Roncallo  
Roosevelt  
Roudebush  
Sisk  
Thompson, Tex.  
Toll  
Tunney  
Udall  
Walker, Miss.  
White, Idaho  
Wilson,  
Charles H.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Rhodes of Arizona for, with Mr. Quillen against.

Mr. Kunkel for, with Mr. Del Clawson against.

Mr. Roosevelt for, with Mr. Baring against.

Mr. Toll for, with Mr. Long of Louisiana against.

Mr. Celler for, with Mr. O'Neal of Georgia against.

Mrs. Bolton for, with Mr. Walker of Mississippi against.

Mr. O'Brien for, with Mr. Hosmer against.

Mr. Aspinall for, with Mr. Cederberg against.

Mr. Macdonald for, with Mr. Roudebush against.

Mr. Quile for, with Mr. Reinecke against.

Mr. King of California for, with Mr. King of New York against.

Until further notice:

Mr. Sisk with Mr. Bell.

Mr. White of Idaho with Mr. Nelsen.

Mr. Brown of California with Mr. Gubser.

Mr. Moorhead with Mr. Betts.

Mr. Johnson of California with Mr. Harvey of Michigan.

Mr. Matthews with Mr. Burton of Utah.

Mr. Charles H. Wilson with Mr. MacGregor.

Mr. Tunney with Mr. McMillan.

Mr. Udall with Mr. Colmer.

Mr. Hagen of California with Mr. Cabell.

Mr. Corman with Mr. Diggs.

Mrs. Green of Oregon with Mr. Abbott.

Mr. Kastenmeier with Mr. Roncallo.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## GENERAL LEAVE TO EXTEND

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to extend their remarks and to include extraneous matter on the bill just passed.

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

There was no objection.

## APPOINTMENT OF TWO TEMPORARY ADDITIONAL DISTRICT COURT JUDGES FOR THE STATE OF OHIO

Mr. McCULLOCH. 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 Ohio?

There was no objection.

Mr. McCULLOCH. Mr. Speaker, I have introduced, today, a bill to provide for the appointment of two temporary additional district judges for the State of Ohio, one for the northern district and one for the southern district.

A factual statistical study of the caseload and other factors explanatory thereof, in each of said districts, and the disposition of the caseload is submitted in justification for the stated need for the two additional judges. The major factual results of the study are as follows: The 1960 census disclosed that the State of Ohio ranked fifth among the 50 States in population. Within the State lie many areas of high population density. Industrial complexes abound throughout the State, while port cities on the Great Lakes and the Ohio River generate heavy interstate and foreign commerce.

These factors result in the State of Ohio having much litigation in the U.S. courts where, frequently, complex, and lengthy legal matters must be adjudicated. Yet, the Federal courts in Ohio have managed to conduct their affairs in an efficient manner without having the number of trial judges increased by an appreciable degree.

When the Omnibus Judgeship Act was passed in 1961, the U.S. District Court for the Southern District of Ohio only received one additional temporary judge, while the northern district received one temporary and one permanent increase in judgeships. This was a far lesser increase than many of the other highly industrial and densely populated States. Ohio judges have generally made a reputation for themselves in hard, scholarly work, and it was believed that these increases would be sufficient to reduce the growing backlog of cases that were developing.

As events transpired, the increases did help in the northern district, but not in the southern district.

Messrs. DADDARIO and COLLIER changed their vote from "nay" to "yea."



## SOUTHERN DISTRICT

The southern district has had three permanent Federal district judges since 1937. The new temporary judgeship was created in May 1961, but in September of that year, before the new judge was appointed, Judge John H. Druffel, a permanent judge, retired. Since the language creating the temporary judgeship provided that the first vacancy occurring in the office of district judge was not to be filled, the southern district was unable to receive the additional help that the temporary judgeship would have afforded. The result has been that the backlog of cases in the southern district has continued to rise along with the increase in caseload.

Civil case filings in the southern district have been on the rise since 1958. An all-time high of 909 cases was reached in 1964. Fortunately, the termination of civil cases has also been rising for the last 4 years or the pending civil caseload would have been even higher. Even so, the district was 10th highest in the Nation in civil cases pending per judgeship. It now has 315 civil cases pending per judgeship compared to the national average of 231.

By almost every yardstick, the district ranks high in its civil volume per judgeship. On a weighted civil caseload basis—a system by which case filings are rated according to the potential work for the judges—it ranks 13th nationally. The district's weighted caseload per judgeship of 267 was 60 cases above the national average. On a nonweighted basis, the district ranks 11th nationally in civil cases filed per judgeship with 303 compared to the national average of 207.

Fortunately, through the industriousness of the district judges, the median time interval between the filing of civil cases and their disposition is only 7 months. This is 1 month below the national average. However, the time interval between the filing of an answer and trial, is 18 months, which is 11 months above the national average.

The number of civil cases commenced and terminated in the southern district of Ohio, by fiscal year, and pending at the end of each year from 1951 through 1964, as prepared by the Procedural Studies and Statistics Unit of the Administrative Office, U.S. Courts, is shown as follows:

Fiscal year	Total civil cases		
	Com-menced	Terminated	Pending June 30
1951.....	657	676	741
1952.....	728	699	770
1953.....	710	688	792
1954.....	595	665	722
1955.....	560	552	730
1956.....	638	764	604
1957.....	689	706	587
1958.....	682	664	605
1959.....	542	603	544
1960.....	565	480	629
1961.....	620	570	679
1962.....	680	595	764
1963.....	751	677	838
1964.....	909	803	944

Similarly, the average number of cases commenced per judgeship in the south-

ern district compared to the national average graphically demonstrates the district's burden:

Fiscal year	Number of judgeships	Total civil cases	
		Ohio, southern	National average
1951.....	3	219	204
1952.....	3	243	236
1953.....	3	237	261
1954.....	3	198	210
1955.....	3	187	212
1956.....	3	213	225
1957.....	3	230	236
1958.....	3	227	259
1959.....	3	181	215
1960.....	3	188	221
1961.....	3	207	172
1962.....	3	227	201
1963.....	3	250	207
1964.....	3	303	218

As for the criminal caseload in the southern district, fewer criminal cases were filed in the district in fiscal year 1964 than in any year since 1956. Nevertheless, the District ranked 21st nationally in 1964 among the Nation's districts on the basis of criminal cases commenced per judgeship. The criminal cases commenced, terminated, and pending from fiscal year 1959 through 1964, as prepared by the Administrative Office, U.S. Courts, are as follows:

Fiscal year	Total commenced	Total terminated	Pending June 30
1959.....	584	581	49
1960.....	526	514	61
1961.....	525	554	32
1962.....	560	524	68
1963.....	631	625	74
1964.....	500	513	61

Likewise, criminal cases commenced per judgeship in such district compared to the national average, are equally revealing:

Fiscal year	Criminal cases (less immigration)	
	Ohio, southern	National average
1951.....	139	106
1952.....	119	112
1953.....	163	114
1954.....	127	103
1955.....	160	104
1956.....	116	102
1957.....	193	105
1958.....	153	108
1959.....	179	108
1960.....	163	107
1961.....	160	86
1962.....	177	88
1963.....	197	89
1964.....	152	89

## NORTHERN DISTRICT

The northern district of Ohio has had five permanent district judges since 1954. The Omnibus Judgeship Act of 1961 created a sixth permanent judge and a temporary judge. As in the southern district, the language creating the temporary judgeship provide that the first vacancy occurring in the office of district judge was not to be filled.

The effect of creating these new judgeships has been most salutary. In spite of a rapidly increasing caseload, total civil

cases commenced per judgeship has been reduced below the national average, the time intervals in disposing of cases has been good, and the backlog of criminal cases has been decreased. But, in May 1964, Judge Charles J. McNamee died which had the effect of eliminating the temporary judgeship. As industrious and dedicated as the judges of the northern district are, it is believed the backlog of cases and the time interval in disposing of them will markedly increase—especially because of the rising caseload—unless a new temporary district judgeship is created.

According to the figures supplied by the Administrative Office, U.S. Courts, the civil cases commenced and terminated from fiscal year 1951 through 1964, in the northern district of Ohio and pending at the end of each year, are as follows:

Fiscal year	Total civil cases		
	Com-menced	Terminated	Pending June 30
1951.....	1,017	931	1,227
1952.....	1,261	974	1,514
1953.....	1,289	1,200	1,612
1954.....	1,022	1,019	1,615
1955.....	946	942	1,619
1956.....	1,172	1,377	1,414
1957.....	1,055	1,365	1,104
1958.....	1,124	1,085	1,143
1959.....	1,107	1,153	1,097
1960.....	1,022	1,183	936
1961.....	1,035	999	972
1962.....	1,335	1,119	1,188
1963.....	1,133	1,122	1,199
1964.....	1,169	1,054	1,314

In turning to the average number of civil cases commenced per judgeship in such district as compared to the national average, it may be seen that the caseload was brought below the national average in 1961, which coincides with the appointment of the permanent and temporary judgeships. With the elimination of one judgeship, as has occurred through death, it is easy to see how this figure will again rise above the national average. This graphic picture is as follows:

Fiscal year	Number of judgeships	Total civil cases	
		Ohio, northern	National average
1951.....	4	254	204
1952.....	4	315	236
1953.....	4	322	261
1954.....	5	204	210
1955.....	5	189	212
1956.....	5	234	225
1957.....	5	211	236
1958.....	5	225	259
1959.....	5	221	215
1960.....	5	204	221
1961.....	5	207	189
1962.....	7	191	201
1963.....	7	162	207
1964.....	7	167	207

The trend in criminal cases in the northern district is not as clear. Terminations have decidedly increased since 1961, but so have the cases commenced, except in 1964. It is believed, though, that the good termination rate cannot be maintained with the loss of the judgeship. The figures, as prepared by the

Administrative Office, U.S. Courts, are as follows:

Fiscal year	Total commenced	Total terminated	Pending June 30
1959	436	440	79
1960	331	356	54
1961	443	434	63
1962	563	514	112
1963	579	528	163
1964	540	551	152

The same may be said when the average number of criminal cases commenced per judgeship, in the northern district compared to the national average, is examined:

Fiscal year	Criminal cases (less immigration)	
	Ohio, northern	National average
1951	81	106
1952	101	112
1953	83	114
1954	69	103
1955	73	104
1956	81	102
1957	76	105
1958	70	108
1959	78	108
1960	59	107
1961	81	98
1962	79	94
1963	82	95
1964	76	86

A careful examination of these facts and figures will clearly demonstrate that there is a need for an additional temporary judge in both the northern and southern districts of Ohio. The caseload of both civil and criminal cases continues to rise. And, since the population of the State of Ohio is estimated to increase by over 17 percent in the decade—1960–70—to a figure of approximately 11,400,000—it may be seen that the basis for an ever-increasing caseload exists.

There are those, of course, who may believe that additional permanent judgeships should be created. It is my opinion, however, that the backlog can be substantially reduced through the addition of temporary judges. The addition of temporary judges, as created in the Omnibus Judgeship Act of 1961, contributed a good deal in alleviating the caseload burden. If such judgeships had remained operative for a longer period of time, I believe the situation would have improved to an even greater extent. The purpose of a temporary judgeship is to get the backlog to a sufficiently low level so that the current caseload can be effectively managed by the permanent judges, who give full time to the discharge of their duties.

For these reasons, I have introduced legislation to create one additional temporary district judgeship in each of the northern district and the southern district of Ohio.

Since justice delayed is often justice denied, it is my intention to urge early consideration and favorable action on the legislation.

#### LEGISLATIVE PROGRAM FOR NEXT WEEK

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

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

There was no objection.

Mr. ARENDS. Mr. Speaker, may I ask the majority leader if he would give us the program for next week?

Mr. ALBERT. Mr. Speaker, we have completed the legislative business for this week, and it will be my intention to ask unanimous consent to go over, after announcing the program for next week.

Monday is District day. There are no District bills ready for consideration.

Monday is also George Washington's Birthday, and pursuant to custom there will be a reading of George Washington's Farewell Address.

Tuesday is undetermined, although there is a possibility that two bills unanimously reported from the Committee on Armed Services may be called up on that date. We will announce these bills, if it is decided to bring them up on Tuesday, on Monday.

For Wednesday and the balance of the week, there are 19 resolutions from the Committee on House Administration providing investigation and study funds for committees, as follows:

House Resolution 108—Agriculture.

House Resolution 119—Armed Services.

House Resolution 134—Banking and Currency.

House Resolution 232—District of Columbia.

House Resolution 139—Education and Labor.

House Resolution 149—Foreign Affairs.

House Resolution 109—Government Operations.

House Resolution 229—House Administration.

House Resolution 137—Interior and Insular Affairs.

House Resolution 325—Interstate and Foreign Commerce.

House Resolution 88—Judiciary.

House Resolution 123—Judiciary, interstate taxation.

House Resolution 152—Merchant Marine and Fisheries.

House Resolution 142—Public Works.

House Resolution 237—Science and Astronautics.

House Resolution 239—Small Business.

House Resolution 188—Un-American Activities.

House Resolution 69—Veterans' Affairs.

House Resolution 182—Ways and Means.

These bills may not necessarily be brought up in the order in which they have been announced.

This announcement is made subject to the usual reservation that any additional program may be announced later, and that conference reports may be brought up at any time.

Mr. ARENDS. May I say to the gentleman in reference to the two bills from the Committee on Armed Services that may come up on Tuesday or Wednesday that they are noncontroversial, and I hope we will expeditiously pass them.

Mr. ALBERT. The gentleman from Massachusetts [Mr. PHILBIN] has spoken to me about the bills, and he will advise me early in the week about programming them under a unanimous-consent request.

#### ADJOURNMENT UNTIL MONDAY

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.

#### DISPENSING WITH CALENDAR WEDNESDAY

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

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

There was no objection.

#### AGRICULTURAL EMPLOYERS WHO SEEK TO USE SUPPLEMENTAL FOREIGN WORKERS

Mr. HERLONG. 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 Florida?

There was no objection.

Mr. HERLONG. Mr. Speaker, the Secretary of Labor, on December 19, announced that new regulations would be put into effect on January 1, for the purpose of requiring agricultural employers who seek to use supplemental foreign workers, to first agree to offer such wages and terms of employment as might be prescribed by the Secretary. The Secretary accompanied this announcement with a detailed schedule of minimum wages that would be required by agricultural employers, before any certification would be given for their need for supplemental foreign workers. These minimum wage rates became partially effective on January 1, but they will become fully effective starting April 1, and will require minimum earning guarantees ranging from \$1.15 per hour in our own State of Florida to as high as \$1.40 in several other States, such as California.

In spite of the lack of any semblance of legal authority for the Secretary of Labor to impose any such arbitrary minimum wages, no one questions the fact that this is a fair wage, and that qualified fruit pickers, for example, can make twice that much per hour and more, un-



der prevailing piecework rates, so this is not our quarrel.

In making this announcement, however, the Secretary expressed the belief that domestic workers could be recruited from unspecified sources to do this job, thus making it unnecessary, in his opinion, for agricultural employers to further rely upon supplemental foreign workers. To achieve this, he laid down such additional requirements that, for example, compel farmers and growers to sign written contracts with domestic workers in their employ, to guarantee them at least 64 hours work every 2 weeks, and provide round trip transportation, free housing, as well as other fringe benefits.

The Secretary of Labor has repeatedly refused to allow Florida growers, to have the necessary number of supplemental foreign workers that have been needed in recent months to avoid crop losses. Furthermore, in spite of the fact that he has launched a crash recruitment program with Federal employees supplementing the efforts of Employment Service personnel in the Southeastern States, he has not been able to provide the necessary labor from any other source. In other words, his recruitment program has been a dismal failure.

As of February 12, over 60 percent of the workers recruited by the Secretary of Labor's recruitment team had disappeared. The growers who paid to transport these workers to Florida lost thousands of dollars in transportation costs and in cash advances made to these would-be workers who, after their free trip, decided to spend their time enjoying Florida's sunshine and fishing rather than working.

In the first place, all of us would prefer to supply our labor needs from the domestic market but let me give you some documented examples characteristic of what the Secretary of Labor sends to us as qualified citrus pickers. As you may or may not know, to pick oranges one is required to climb a ladder. The oranges are not clipped but are pulled from the trees and placed into a bag which is over the picker's shoulder. When the bag gets full or nearly full, the picker climbs down from the ladder and opens the bottom of the bag and permits the oranges to be dropped in a field box. He gets paid at the rate of 25 cents per box for picking these oranges and it is a far less than average picker who cannot make as much as \$10 a day, picking oranges.

The Secretary of Labor's recruiters, however, have been so interested in bringing "heads" to Florida rather than qualified fruitpickers, that it has resulted in costing the growers more money in transportation and advances to these deadheads than it has helped. What kind of a recruiter is it that tells a 350-pound man that he can make a lot of money on a job that requires him to climb a ladder and pick oranges? Or who would send a man down to Florida to pull oranges off a tree who has no fingers on his hands, or who would drive up in a

truck in front of a house of a man who is over 70 years of age and ask the elderly gentleman if he would like to go to Florida and make a lot of money? He, of course, answers, "Yes," and then is told to meet the bus the next day at 8:30 in the morning and go to Florida, which he does. He gets to Florida and finds out that to make this big money he is required to pick oranges, which, of course, he is not physically able to do. Then because he cannot fulfill his agreement to pick oranges, even though the growers have paid his way to Florida, he has to pay his own way back to his home. He then sits around a few days on his front porch and writes his son-in-law in Florida that the man was around again asking them if they wanted to come to Florida and make a lot of money, and that he was going back again on the next trip and this time he was going to bring his wife and daughter with him, at a cost of \$12 to \$14 a head to the farmers and yet none of them are qualified to do the work for which they are being recruited. These cases have been documented and are not unusual but are almost typical of the ineffectiveness of the Secretary of Labor's recruitment program.

To make things worse, the Secretary has totally ignored the protests and appeals that have been made to his office over a period of months and which have pointed out the danger of crop losses if he did not authorize the necessary number of supplemental workers to meet the requirements of our farmers and growers.

It is also astonishing that the Office of the Secretary of Agriculture claims to have no knowledge of the crop losses that have taken place in Florida in recent months due to the lack of labor.

I would like to recite to you crop losses with which I am personally familiar as well as losses which have been brought to my attention by reliable and reputable sources in Florida.

I personally appeared before the Senate Agriculture Committee on January 15, and testified that my own family has lost or will lose, if we continue as we are now, some 50,000 boxes of fruit which should be harvested, but which could not and cannot be harvested because of the failure to obtain enough labor. I gave the Senate Agriculture Committee six photographs on January 14 which fully documented the physical appearance of one particular grove and showed that the ground was literally covered with fallen fruit—fruit that should have been picked before Christmas. This situation has been widespread over a long period of many weeks and it has been estimated by Florida Citrus Mutual, an organization which represents many thousands of citrus growers, that some \$6 million loss has already been suffered by citrus growers due to the lack of sufficient labor to harvest the early and midseason varieties of Florida oranges, grapefruit, and tangerines.

Secretary Wirtz and his staff have been repeatedly advised of our acute labor shortage, but they have so far taken no effective action to avoid these losses.

Just who is being hurt by this lack of action on the part of the Department of Labor? The last estimate of the Department of Agriculture showed that there would be about 80 million boxes of oranges in the State of Florida this year. Suppose, that because of this shortage of labor we can only harvest 50 million? Can the Secretary not see that there are other people who work in the citrus industry besides pickers and that if he does not act, he is depriving the packing-house employees and the concentrate and processing employees from packing or processing this 30 million boxes of fruit? This means that they will be working only a little over half time. Union representatives of the packing-house and processing plant employees have urged the Department of Labor to permit this supplemental labor so that their employees would not be deprived of their jobs.

This reduction in the crop because of the failure to harvest goes even farther than that. The man who makes the boxes or who makes the cans or who transports the finished product to the market also has employees whose work hours would be shortened with this crop loss.

Usually, as far as the grower is concerned, in the long run, the lack of supply and the increased demand will raise his price to the point where he will possibly get as many dollars back from the short crop as he would have had he marketed his whole crop, but then this increase will be reflected in the price of fresh and processed fruit to the consumer. Is the Secretary acting in the interests of all our people when he deliberately follows policies that would result in raising the prices to consumers? It can result in the housewife deciding that the price of citrus is too high and she will resort to some synthetic product which is cheaper but one which I do not think many doctors would prescribe for babies to drink in place of pure orange juice.

This does not only affect the citrus industry. The Florida sugarcane industry has more than tripled during the last 3 years, largely as a result of the encouragement of the U.S. Department of Agriculture. This season we have approximately 235,000 acres of sugarcane to be harvested in Florida. Domestic workers simply do not like to, and therefore will not, cut sugarcane on Florida's muckland. The Department of Labor has acknowledged this for many years. In the past they have always authorized enough supplemental foreign workers to assure that this crop could be harvested without losses due to lack of labor. However, during the current season, sugarcane producers have been turned down in more than a dozen requests that have been made to the Department of Labor for additional foreign workers that were needed to avoid the possibility of crop loss.

On January 17 and 18, we experienced temperatures as low as 18 degrees in the sugarcane belt, and the dangers of a

crop loss suddenly became a reality. Several of the mills have been able to grind cane at only 80 percent of the rated capacity which means that many thousands of tons of cane that could have been ground are now damaged along with the remainder of the crop. Renewed appeals for necessary amounts of labor to minimize losses resulting from the freeze were also denied until recently, when the Secretary of Labor said that the sugarcane industry could have 300 more workers, when these workers are released by the citrus industry. The citrus industry has not been in a position to release these workers and any relief that may ultimately come from that direction will be too late to avoid losses that have already occurred. A survey of four of Florida's sugarcane mills last week shows that they estimate their losses to date—due entirely to lack of sufficient canecutters—at a total of \$1,754,000.

Florida growers planted 3,500 acres of strawberries this year. Some 1,900 acres of strawberries were planted in the lower east coast area, and growers in that area have largely depended upon supplemental foreign workers to efficiently produce and harvest their crops. But, when these strawberry growers sought this year to obtain a relatively small number of supplemental foreign workers who were needed to lay down polyethylene weed-control covers, they were turned down time and again. The use of polyethylene weed-control covers would greatly minimize the amount of labor needed to control the weeds by hand. Yet the Department of Labor could not see this fact and continued to delay acting on these growers' requests until blooms or flowers set on the strawberry plants. It then became necessary to install the weed-control covers over blooming plants with the result that these blooms were severely damaged, and the first two pickings of the strawberry crop were lost. It is not enough to say that this loss was due to the lack of labor. This loss was due directly to the lack of prompt action by the Department of Labor.

In addition to losses such as those described, all segments of the industry in Florida report increasing losses in grade and quality of their crops due to lack of labor.

I want to make it clear as I said before that Florida agricultural employers prefer to use American workers. It is reasonable for them to expect a fair day's work for a fair day's pay, and our farmers want to give them this, but on the other side of the coin, I believe that they have a right also to expect the Department of Labor to supply qualified and willing workers or, if they are not available in sufficient numbers, to quit vacillating and denying what are obvious facts and readily certify as to the existence of the labor shortage so that crop losses will not be so large.

The entire attitude of the Secretary of Labor seems to be that he wants to look to the agriculture industry to solve our unemployment problems. But the simple fact is that neither the Secretary of Labor nor our farmers can force peo-

ple to do manual labor in our fields and groves unless they wish to do it.

Mr. Speaker, it is my judgment that the situation that exists in Florida today and that threatens to become worse during the remainder of our season, will also pose a very serious threat to agriculture throughout this Nation in the very near future. I have it on good authority that many growers are talking in terms of cutting back their production of ground crops by as much as 50 percent unless some encouragement and assurance of adequate labor is forthcoming from the Secretary of Labor. This is the kind of situation when an executive officer of the Federal Government can easily be of valuable help to this country. I am talking about the kind of help that results from the cooperation of an industry that is vital to the total welfare of the United States. I do not know who or what caused the Secretary of Labor to adopt such an unrealistic and unsympathetic attitude toward our agriculture industry, but he should move immediately to correct his errors of judgment, which already have cost farmers and growers and workers in Florida many millions of dollars—and will cost the consumers many millions more.

It is a somber fact that this Nation never has as much as a week's supply of fresh fruits and vegetables en route from the producer to the market and available to the consumer. The strength that holds this chain of food production and distribution together is no greater than its weakest link. Farmers in much of the Nation will soon be faced with a decision to plant as much seed as they did a year ago, to cut back their planting operations or not to plant at all. Their decisions will be made on an individual basis and will be based upon their respective judgments as to how this Government will respond to their plea for fair and reasonable treatment. The lack of any encouragement from the Secretary of Labor or—alternatively—the assurance of our Government that it will indeed be sympathetic and responsive to the needs of our industry will no doubt be the determining factor as each producer decides his future role as a food producer in this Nation. His decision will be reflected in a very short time in every grocery store across this Nation. The responsibility for this decision will not rest in the hands of the individual producer; it will rest in the hands of a few responsible officials in Washington who have not up to this point chosen to act responsibly. Let us hope that they are aware of the high stakes that are involved and avoid the needless crisis that will be threatened if they fail to act affirmatively and promptly in the public interest.

#### A PROCLAMATION

Mr. PUCINSKI. 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. PUCINSKI. Mr. Speaker, I have today introduced a resolution which expresses support of the American people for President Johnson's heroic determination to wage carefully measured and meaningful retaliation against military installations in North Vietnam which serve as staging areas for training Communist forces to carry on continued aggression against South Vietnam.

This resolution would also assure the people of South Vietnam that the people of the United States stand firmly behind them in their long and tireless efforts to preserve for South Vietnam freedom and independence.

The resolution states further:

The people of the United States, through their elected representatives in the Congress of the United States, send to the people of South Vietnam their heartfelt admiration for the great sacrifices which the people of South Vietnam have endured during the past 20 years in their struggle to retain self-determination and human dignity.

I shall include a text of the entire resolution at the conclusion of my remarks.

Mr. Speaker, it is my sincere hope that the Congress will approve this resolution without delay as our answer to those who naively continue to believe that somehow we can negotiate a peaceful solution with the Chinese and North Vietnamese Communists to the problem of Vietnam.

Those who propose negotiation never spell out with whom we are to negotiate or on what terms, nor do they take the trouble to recall that we have now been negotiating with the North Korean Communists for 11 years in hopes of arriving at a workable peace treaty which would bring peace and stability to Korea. During these 11 years of negotiations at Panmunjon, the Communists have violated every single provision of the truce negotiated by President Eisenhower in 1953.

North Korea today is one of the most formidable Communist military bases in the whole world, and this was accomplished by the Communists during the past 11 years while fruitless negotiations were going on.

Nor do those suggesting negotiations over Vietnam care to mention the fact that we have indeed been negotiating with the Chinese Communists in Warsaw, Poland, now for almost 5 years.

We have held more than 127 exploratory sessions with the Communist representatives in Warsaw, and as far as I know, the Chinese Communists have not made one single solitary concession which would indicate or create an atmosphere for any meaningful negotiations to resolve the problems of southeast Asia or curb Chinese Communist subversion in that part of the world.

Mr. Speaker, I hope this resolution will be adopted because it is important for the world to know that the people of the United States stand firmly behind the people of South Vietnam in their heroic struggle for freedom.

It is also important to know that the people of the United States stand firmly behind President Johnson in his brave decision not to capitulate to Communist infamy.



I have the highest respect for President Johnson's judgment, and while I know that he would never deliberately lead us into a needless war, neither would he surrender our freedom to Communist treachery.

Mr. Johnson indeed carries a heavy burden today. It would be my hope we can approve this resolution to show our dedicated President that we as Americans stand firmly behind him in these days of historic decisions.

Mr. Speaker, it is high time that we Americans realized that for us to fail in our positive action now would be an open invitation to world war III.

I know it is difficult for many people to understand the situation in South Vietnam and why we have to be there in the first place. But both President Johnson and Secretary Rusk have made it crystal clear that for the United States to abandon South Vietnam today would mean a complete surrender of the entire southeast flank of our Pacific defense perimeter.

It would be only a matter of days before South Vietnam was overrun by the Communists and not much longer before Thailand, Burma, Cambodia, Malaysia, and the whole of southeast Asia would be victimized by Communist aggression.

Those who cling to the belief that we can negotiate ignore the fact that it was only 10 years from Manchuria to Pearl Harbor and less than 18 months from Munich to the rape of Poland on September 1, 1939.

There are those who urge this entire matter be turned over to the United Nations, completely ignoring the fact that the United Nations has had several opportunities to deal with the problem of southeast Asia. The United Nations is in no position to take any overt action since the Soviets could use their veto power in the Security Council.

Wish as we may, southeast Asia is beyond the help of the United Nations.

General de Gaulle has been making all sorts of suggestions as to what we should do about this problem, but I believe the American people should know that his true role in this problem is only that of a kibitzer.

General de Gaulle has made no offer to commit his troops to enforcing any peace settlement that might be negotiated. As a matter of fact, General de Gaulle is not even in this game.

There are those who ask, "Do the South Vietnamese have the will to win?"

Mr. Speaker, I believe it is the South Vietnamese who should ask if we have the will to stand and support their efforts toward total victory.

It is my hope, Mr. Speaker, that adoption of my resolution would dispel any fears the South Vietnamese might have regarding our determination to help them preserve their freedom.

I am sure that President Johnson along with the South Vietnamese would be most eager to seek a peaceful solution and, yes, negotiate intensively, the moment the North Vietnamese Communists withdraw their troops from South Vietnam and cease their aggression and subversion.

For us to withdraw under any conditions short of complete Communist withdrawal would be merely to intensify the risk of world war III.

Peiping has clearly announced its military policy for all of southeast Asia. It has a militaristic appetite that feeds upon success.

Mr. Speaker, there are those who question the sincerity of our South Vietnamese allies and place the burden of their suspicions on the fact that South Vietnam has undergone major changes of government nine times in the last 2 years.

Certainly, the internal problems of South Vietnam are of deep concern to us, but the fact remains that the people of South Vietnam have endured greater hardship, sacrifice, and agony during the last 20 years in their struggle for freedom than we Americans have endured in the last 200 years of our existence.

I believe that the course chosen by President Johnson is the only course that can avoid world war III.

The President has announced his policy of carefully measured retaliation against military targets which serve as the basis for training Vietcong Communists for aggression against South Vietnam.

This carefully calculated escalation is the only course this Nation can take and, indeed, it serves notice on the Peiping and Hanoi Communists that this Nation would not stand by with impunity while they wage barbaric aggression against our allies in South Vietnam.

No man wants war less than President Johnson and I am sure that every single decision he has made has been carefully weighed against all of the consequences.

This is a period which can turn the tide for freedom. It requires complete understanding from the American people and it also requires complete dedication.

It is for this reason, Mr. Speaker, that I hope the following resolution will be carefully considered and adopted by the Congress.

My resolution follows:

Whereas the United States, during the administrations of President Truman, President Eisenhower, President Kennedy, and President Johnson, has been committed to a policy of assisting the people of South Vietnam preserve their freedom and independence from Communist aggression; and

Whereas the North Vietnamese Communists have in recent months stepped up considerably their aggression against both civilian and military installations in South Vietnam; and

Whereas this aggression has caused the serious loss of life to American observers presently stationed in South Vietnam to help train South Vietnamese troops against Communist aggression; and

Whereas the President of the United States has had to order carefully measured retaliatory action against the North Vietnamese military staging areas where Hanoi and Peiping Communists have been or are being trained for aggression against South Vietnam; and

Whereas the President of the United States has made it abundantly clear that to withdraw American assistance from South Vietnam would expose the whole of southeast Asia to occupation by the Chinese Communist forces; and

Whereas such occupation would violate all the principles of the Geneva Conference of 1954 in which South Vietnam was guaranteed its independence and freedom from Communist aggression; and

Whereas withdrawal of American support from South Vietnam would only serve to hasten the day when Communist forces in Asia and China could wage all-out aggression against the rest of the world; and

Whereas the Hanoi and Peiping Communists have failed to show a single overt act which would indicate the problems of Vietnam could be settled through negotiation: Now, therefore, be it

Resolved, That it is the sense of Congress, speaking for the American people that—

1. This Nation stands firmly behind President Johnson's determination to wage carefully measured and meaningful retaliation against military installations in North Vietnam which serve as staging areas for training Communist forces to carry on continued aggression against South Vietnam;

2. That the people of the United States stand firmly behind the people of South Vietnam in their long and tireless efforts to preserve for South Vietnam freedom and independence; and

3. The people of the United States, through their elected Representatives in the Congress of the United States, send to the people of South Vietnam their heartfelt admiration for the great sacrifices which the people of South Vietnam have endured during the past 20 years in their struggle to retain self-determination and human dignity.

#### ANNOUNCEMENT

Mr. BALDWIN. Mr. Speaker, yesterday on rollcall No. 16 I was not recorded as having voted. I was on official leave from the House. Had I been present I would have voted "nay."

#### UNITED NATIONS

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

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

There was no objection.

Mr. FARBSTEN. Mr. Speaker, it is with great honor that I rise to compliment the United Nations, which is celebrating its twentieth anniversary this year. We are all aware of the vital services which this world organization has performed in preserving international peace. I have supported this organization since its inception in the tumultuous days after the Second World War. Furthermore, I am proud, as are my constituents, to have the headquarters of the United Nations in the great city of New York.

As a member of the House Foreign Affairs Subcommittee on the Near East, I have personally witnessed its invaluable role in preserving the independence and stability of states in that area of the world. Were it not for the United Nations Emergency Force a serious international crisis would have ensued. The mediation efforts of Count Folke Bernadotte and Dr. Ralph Bunche were instrumental in creating the machinery whereby Israeli-Arab coexistence would be insured.

I, therefore, submit for consideration a resolution which can express the continued faith of the United States in the growth and strengthening of the United Nations. The resolution reads as follows:

**H. CON. RES.—**

Concurrent resolution expressing the continued faith of the United States in the growth and strengthening of the United Nations

Whereas President Lyndon B. Johnson said in his state of the Union message, "we renew our commitment to the continued growth and effectiveness of the United Nations" realizing "the frustrations of the United Nations are a product of the world we live in, not of the institution which gives them voice" knowing full well "it is far better to throw these differences open to the assembly of nations than permit them to fester in silent danger"; and

Whereas the renewal of this commitment on the 20th anniversary of the founding of the United Nations is celebrated by the observance of International Co-operation Year during which the nations of the world are implored to emphasize those areas in which their mutual interests achieve greater importance over the issues which cause friction; and

Whereas in each year of its history, the United Nations has become a more vital instrument of peaceful negotiation and settlement in issues directly affecting the stability of the world; and

Whereas the United Nations has recognized the re-evaluation of rising expectations throughout the world and in furtherance thereof the United Nations has concurrently maintained a vast effort to improve and "promote social progress and better standards of life in larger freedom" through its economic and social functions; and

Whereas the United States has, in the past recognized the principle of fiscal responsibility towards a world organization; and

Whereas in his inaugural address the late President John F. Kennedy said "to those peoples in the huts and villages of half the globe struggling to break the bonds of mass misery, the United Nations offers a beachhead of cooperation which may yet push back centuries of poverty, fear and distrust to achieve a world where the strong are just, the weak secure, and the peace preserved"; Now, therefore, be it

*Resolved by the Congress of the United States, That we do hereby reaffirm our continued commitment to the United Nations and endorse, encourage and sustain this crucial effort of mankind to achieve a greater society of nations dedicated to the proposition that peace, order and progress in the world can best be accomplished through co-operation in the United Nations.*

**HORTON AMENDMENT FOR WOMEN'S RIGHTS**

Mr. HORTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the body of the RECORD.

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

There was no objection.

Mr. HORTON. Mr. Speaker, earlier this week, it was my privilege to be present at the annual Susan B. Anthony luncheon of the Rochester Federation of Women's Clubs. The gathering held in my home community of Rochester, N.Y., commemorated the 145th anniversary of the 19th century suffragette's birth.

Susan B. Anthony honored the history and heritage of Rochester. She waged war on discrimination and won. The 19th amendment to our Constitution guaranteeing women the right to vote is an eternal monument to her towering triumph, and its foundation was built in Rochester.

But, just as man does not live by bread alone, neither do women gain full equality by voting rights alone. Therefore, in the proud tradition of Susan B. Anthony's home, I have worked and voted for legislation to secure there additional rights. In the last Congress, we passed a law requiring equal pay for women performing the same work as men and we amended another law to ban discrimination against women in various Federal programs.

Now, in keeping with my efforts, I am pleased to announce that I have introduced today a constitutional amendment making equal rights for women the law of the land.

Our Constitution is a very great document, but its greatness hinges on the fact that it is susceptible to change. A change in providing equal rights is long overdue.

Our society still contains too many remains of ancient rules of law which treat women as inferiors. The amendment I support does not contemplate that women must be treated in all respects the same as men, but, while preserving in law obviously natural differences, it would do away with separate classifications for jury duty, property and inheritance rights, and other citizen benefits that bear no real relation to sex.

This amendment is not new but was first suggested in 1923. Since that time, it has been introduced in every single Congress. An impressive list of nationwide organizations have recorded their support of this proposal in the past.

Most recently, on September 14, 1964, the Senate Committee on the Judiciary submitted a report asking for favorable consideration of the amendment. The Senate report of the 88th Congress reminds us that "Adoption of this amendment will complete women's long movement for legal equality."

There remain many well-known vestiges of ancient rules of law which treat women as inferiors. In many States, a woman cannot handle or own separate property in the same manner as her husband. In some States, she cannot engage in business or pursue a profession or occupation as freely as can a member of the male sex. Women are classified separately for purposes of jury service in many States. Community-property States do not vest in the wife the same degree of property rights as her husband enjoys. The inheritance rights of widows differ from those of widowers in some States. Restrictive work laws, which purport to protect women by denying them a man's freedom to pursue employment, actually result in discrimination in the employment of women by making it so burdensome upon employers. Such protective restrictions hinder women in their competition with men for supervisory, technical, and professional job opportunities.

In this session of Congress I sincerely hope the House will take favorable action on this much needed amendment. The evils which this amendment seeks to cure are many. These evils have a historical basis in the inferior position of women in medieval days and under the old English common law, but they have no sound and reasonable basis in 20th century America. I ask for your cooperation and favorable action.

**THE FARM LABOR SITUATION IN FLORIDA**

The SPEAKER. Under previous order of the House, the gentleman from Florida [Mr. GURNEY] is recognized for 60 minutes.

Mr. GURNEY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

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

There was no objection.

Mr. GURNEY. Mr. Speaker, I want to bring to the attention of this House today, a most serious situation in Florida.

The economy of my State of Florida is facing one of the gravest economic threats in all its history.

The great agricultural industry of Florida, the No. 2 money crop of the State, has already suffered losses running into many millions of dollars, and stands to suffer a much greater loss in the weeks ahead unless relief is received immediately.

What is this threat to our citrus, our green vegetables, our sugarcane?

Is it a threat of nature like our disastrous freeze of 2 years ago, or drought, or flood, or a swarm of insects?

No, none of these.

I am ashamed to tell this House, but the plague in this case is the U.S. Government itself.

The Great Society has not only declared war on poverty, but has also declared war on Florida farmers.

Nor is the war confined to Florida farmers. Although they bear the brunt of the attack and battle at this moment, farmers in California, Arizona, Texas, and many other States are in similar battles of varying intensity.

Nor is the war confined to agriculture. In our complex society, when one industry takes an economic beating, the effects are far reaching and felt throughout the land. Industries and people who handle agricultural products take their financial losses too. Jobbers, dealers, canners, wholesale markets, and retail stores and a host of other industries magnify the direct loss of the farmers manifold.

Take transportation—rail and truck—a very sizable source of their revenues come from hauling food to market.

The livelihood of many a truckdriver, or truckowner in Florida depends upon hauling to market one crop, citrus, each year. There will be great numbers of these people this year who will not make enough this season to make both ends meet or to properly feed, clothe, and shelter their families.



Now what is the problem anyway? Why this loss of millions of dollars? And why is it so unnecessary?

The problem is simple. Florida farmers cannot get labor to harvest their crops, to pick the citrus, cut the sugarcane, gather in the vegetables.

They are unable to get sufficient labor because the U.S. Department of Labor and more specifically, the Secretary of Labor, Mr. Wirtz, has arbitrarily refused to help our people. He has shut his ears to their pleas and his eyes to their plight. He has even gone further in hearings held before the Senate Agricultural Committee a month ago. His answer to the presentation of overwhelming evidence in the form of incontrovertible facts and figures of severe labor shortages and consequent crop loss was simply to paraphrase, to say "There is no labor shortage, there are no crop losses."

The facts and figures were produced and introduced in evidence by responsible and leading citizens of my State of Florida. They were corroborated in some instances where he had personal knowledge, by the senior Senator from Florida, SPESSARD HOLLAND, a man who has had a lifetime of working knowledge of the citrus industry in Florida, as a grower, who has served on the Senate Agriculture Committee for years and who is recognized and respected throughout Florida as an expert in agricultural matters.

Yet this Cabinet officer of our Government simply dismissed the massive evidence presented to him in these Senate hearings in a manner that can be only interpreted as "I don't believe you."

Now let us review the problem at this point.

Florida farmers are faced with the age-old problem of harvest. It has not changed in thousands of years, and it is the same in Maine and California that it is in Florida, and the same in the United States as in every part of the world. Mother nature ripens a crop all at one time. You cannot schedule a harvest like you can an automobile production line.

When the harvest ripens the farmer needs a lot of willing and able hands to harvest the crop. Years ago, in an agricultural economy there was no problem, the whole family, the whole community gathered in the harvest.

But now in an urban society, the economic facts of life are that there just are not enough workers in any given locality, in our case Florida, to pick the crops. Laborers have to be brought in, recruited from somewhere else.

In Florida, our farmers have brought in so-called offshore labor, which refers to workers from the Bahama Islands.

Now this recruiting of offshore labor has been carefully and strictly supervised. First of all, it is governed by Public Law 414, the Immigration and Naturalization Act. The workers from the Bahama Islands are permitted to come in only temporarily for the harvest season. They may only supplement domestic labor, take up the shortage. They may not replace domestic labor. The applications for offshore labor are processed carefully by the Government and the

numbers to be imported must be certified by the Department of Labor.

In years past this arrangement worked well. The Department of Labor recognized that sufficient domestic labor could not be recruited and certified enough offshore labor to take up the slack.

In recent years, and particularly in this present administration, and particularly under Secretary of Labor Wirtz, there has been a changing attitude. What has really happened is that Secretary Wirtz has arbitrarily taken the position that he intends to prohibit the importation of any foreign labor.

For example, this year at the National Canners Association meeting in San Francisco, William J. Haltigan, Chief of Research and Wage Activities of the U.S. Department of Labor said, "The days of the bracero program are gone and the days of other foreign workers are numbered." He went on to say that agricultural labor "must be met through employment of domestic workers."

Incidentally, later in this same meeting and in answer to a question how domestic workers were going to be induced to do hard farm labor which they had no stomach for, he said that employers should induce workers by "making them feel wanted" and when asked for a concrete example of how, he said, "send them Christmas cards."

Now, Mr. Haltigan's prediction of the numbered days of foreign workers has been borne out in Florida in salutary fashion by his boss, Secretary Wirtz.

As his lieutenant made the speech, the Secretary was denying the requests of Florida citrus growers for additional offshore workers and now, Secretary Wirtz threatens to cut off the whole program when the present certifications expire. To put it another way, it looks as though Florida citrus men will have no foreign pickers when the big Valencia orange crop ripens for picking in April.

Already, Florida citrus men have suffered a loss estimated at nearly \$6 million. This loss occurred on the early and mid-season crop with 3,500 off-shore laborers working in our groves, for the Department of Labor did certify this number, but this was not nearly enough to do the job. If these pickers leave Florida soon for the islands, the loss on the Valencia crop will be many times that already suffered.

There are groves today with fruit so thickly on the ground, you cannot see the dirt beneath. Millions of dollars of hard work and care and fertilizing down the drain because of the arbitrary attitude of one man, Secretary Wirtz. Literally, the sight is pathetic enough to make a person want to weep and then get angry enough to want to do something drastic to those responsible for this mess.

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

Mr. GURNEY. I am glad to yield to the gentleman.

Mr. DOLE. I would like to point out that I had the privilege of witnessing this firsthand. Last Friday I went to Orlando, Fla. I was there and visited as a member of the Committee on Agriculture some of the groves, and I can attest to the facts stated by the gentleman

man from Florida that you cannot see the ground.

I believe perhaps the most striking illustration was the comment of one Duke Crittenden, who operates the Crittenden Fruit Co., about 37 North Carolinians who were brought from North Carolina to comply with the request of Secretary Wirtz that only domestic labor could be used. The comment was that of 37 who were brought, paid for, and transported by Mr. Crittenden, in 1 week only 1 remained. He is now referred to as the "lone ranger" in the groves of Mr. Crittenden.

This is an example that although domestic help may be fine, may be satisfactory, and may be desirable, while we are experimenting with this so-called domestic help, the growers of Florida are losing millions of dollars.

As the gentleman has pointed out so well, as for the money lost, this is tragic history. The oranges have literally turned to garbage. But there is the huge Valencia crop, which will mature in mid-April. Something needs to be done about that.

I found this quite interesting from the standpoint of being a Kansan, since in Kansas we do not have citrus fruit. I thought it might be of interest to the gentleman from Florida to know that we sympathize with him in regard to the problem.

Mr. GURNEY. I appreciate the gentleman's contribution very much.

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

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

Mr. CRAMER. I join my distinguished colleague from Florida and I congratulate him for calling this matter to the attention of the Congress.

The gentleman, along with other Members of the delegation, has done his best to call this problem to the attention of the Secretary of Labor and of the administration, so far to little or no avail. Is that not correct, I ask the gentleman?

Mr. GURNEY. That is correct.

Mr. CRAMER. The farmers in Florida, be they citrus farmers or truck gardening farmers, are being offered no relief of any consequence as to the recruiting of needed additional domestic workers; is that not correct?

Mr. GURNEY. That is certainly correct.

Mr. CRAMER. I am certain the gentleman concurs that if it were possible to get domestic workers to do the job that would be the preferable approach. However, the Department of Labor and others—even though the citrus commission and the people in Florida have participated in the recruiting program and have done everything in their power to make it work, even having a cooperative effort with all Southeastern States to try to make it work—have miserably failed in providing domestic workers; is that not correct?

Mr. GURNEY. The gentleman is absolutely right. The Florida farmers have literally moved heaven and earth to recruit domestic laborers from other States—which I will go into further in my remarks—with little success.

Mr. CRAMER. The result has been, obviously, that they must look somewhere else. The administration has offered no relief in that respect, is that not correct, even though there are on the books laws which would permit immigration for working purposes?

Mr. GURNEY. Yes, Florida farmers have not been permitted any further extension of the offshore labor program to relieve the critical labor shortage. The Department of Labor has tried to produce additional domestic laborers, but with almost no success.

Mr. CRAMER. The gentleman indicated the people against whom the administration, by the action, has, in effect, declared war. In my opinion, it has also declared war on the American housewife and American families. They are the people who will have to pay the bills in the end for the truck gardening which is rotting on the ground and for the citrus which is rotting on the ground. They will end up paying the bill in an increased cost of living; is that not correct?

Mr. GURNEY. That is certainly correct. As I pointed out earlier, and will point out further, the repercussions of the loss in the citrus field go throughout the entire industry and, in fact, to all kinds of industries, as the tentacles of this economic impact are felt. Loss will pile upon loss and a heavy impact will fall on American families in costlier food bills.

Mr. CRAMER. I, also, have recently returned from Florida. There I saw the citrus rotting on the ground. I had an opportunity to talk with some of the citrus people and other agricultural people, and they cited to me some examples of complete bureaucratic bungling which are almost unbelievable. For instance, a man was sent down from the North to work in one of the groves, to pick oranges, though he weighed 350 pounds. What were they to do? Were they supposed to roll him up the ladder?

Other workers come in, and stay only a couple of days. They go to Florida for a vacation. Their way has been paid, and when they get there they refuse to work and there is nothing the sponsors can do about it. Those are only some examples.

I should like to make a comment with regard to one additional point.

We, of course, have just voted out of the Committee on Public Works the Appalachia bill on the basis that there are millions of people in Appalachia who are unemployed and need help. Florida offers employment and employment in the sunshine. The minimum wage of \$1.10 has been fixed. You cannot say it is not adequate compensation. Their cost of transportation is paid in advance. Their opportunity for employment is there. I wonder if the administration can say to the people of America how in the world they can fail so miserably in recruiting people and in providing jobs on the one hand which are now available and, on the other hand, say that, well, we had better spend billions of dollars in trying to provide employment when we have hundreds of millions of dollars worth of employment available right in Florida at the present time.

It does not make sense to me. I wonder, does it make sense to the gentleman?

Mr. GURNEY. The gentleman's point is certainly well made. At least one organized labor group is getting the message, too, because I understand the Teamsters Union have opposed this arbitrary attitude of the Department of Labor because their own truckers are being put out of work.

Mr. CRAMER. I thank the gentleman.

Mr. TEAGUE of California. Mr. Speaker, will the gentleman yield?

Mr. GURNEY. Yes. I yield to the gentleman from California.

Mr. TEAGUE of California. I will ask the gentleman to yield a little further on, also, when I want to raise some other very important factors on the whole problem. However, I would like to be sure that the RECORD is clear that we are having exactly the same kind of a situation in California and that it is not alone the farmers who are suffering. Almost half of our packinghouse jobs which formerly existed and which were filled by domestic workers are not filled now because we cannot harvest our crops. Truckers, as the gentleman from Florida [Mr. GURNEY] has pointed out, are not hauling the usual amount of produce to the packinghouses. As a result, only roughly half of the trucking jobs which are normally available are now available. These are domestic workers and not foreign workers. Furthermore, we are now able to harvest only about half of our citrus crop from California. This is not a tragedy, perhaps, for the farmers in California, because we normally sell only about half of our citrus crop as fresh fruit. The rest of it goes into byproducts of various kinds. The farmers do not expect to get more than their money back out of those byproducts, such as frozen orange juice and other products we ordinarily buy in cans either as frozen or canned products. What the farmers do is get their money out of that and that is all, but there is such a great shortage and will be because of the situation in California and Florida that the housewife will find she has to pay a great deal more for canned products, as she is already finding she has to pay more for fresh products and frozen products.

Mr. GURNEY. I certainly thank the gentleman from California for his excellent contribution.

Mr. DON H. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. GURNEY. I yield to the gentleman from California [Mr. DON H. CLAUSEN].

Mr. DON H. CLAUSEN. Mr. Speaker, I want to join my colleague from California [Mr. TEAGUE] in presenting the case for California, as we discuss the problems created by the administration's failure to extend the bracero program.

Everything that has been said about California's agricultural products by Mr. TEAGUE and other Members of the California delegation apply to the grape growers, the apple and pear industry, and other so-called specialty agricultural crops of my district.

The gentleman from Florida [Mr. GURNEY] is certainly to be complimented

for arranging this special order permitting many of us to express our indignation with the administration for the handling of the farm labor question.

All of the problems you are now hearing were predicted by witnesses as they testified before the Agriculture Committee during hearings on the bracero legislation. The Department of Labor and the administration were warned of what would happen. They would not listen, then are spending thousands of dollars running all over the country trying to justify their position, while crops lay rotting on the ground.

This is certainly the way to fight this war on poverty—all they are doing is creating more poverty as the truckers, processors, and other associated jobs await the supply of this required labor force.

Additionally, the investor is doing the only thing he can do—he is taking his money to build processing plants where labor is plentiful—out of this country and into Mexico—further contributing to the balance-of-payments problem.

It is about time some of these fuzzy-headed theorists spend a little time "down on the farm" to learn the economic facts of life before this great industry is jeopardized any further.

I think it is about time Congress took some action on this matter. I think we should send a congressional committee into Florida, California, Texas, Arkansas, and other States affected to determine the real facts and seriousness associated with farm labor.

In the final analysis, it is the small man and woman who are being hurt the most—the small farmer producing a few acres of grapes, of apples, pears and so forth—the housewife who will have to pay a higher price for fruits and vegetables because the bumper crops lie rotting in the field.

You Congressmen on the floor today should tell your colleagues to wake up to what is happening to our agricultural interests while the administration sleepily ignores the plight of the farmer—you are our only hope.

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

Mr. GURNEY. Yes. I yield to the gentleman from Florida.

Mr. HALEY. I want to join my colleague from Florida in calling the attention of the Congress and this administration to this tremendous problem that we have in Florida today. I was in Florida last week, and walking through a grove I found it impossible to walk on the ground. You could walk on oranges and not the ground. We have a serious situation down there, and I want to say this and join with my colleagues in saying it, that we have not received very much encouragement or help from this administration. It is true that the Secretary said he would get us some domestic labor, but the gentleman knows this labor is unaccustomed to this kind of work and they come down there and maybe stay a day or two. Growers are importing these people from various States throughout the Nation. They stay for a day or two and, I presume,



they enjoy a nice vacation in Florida at the expense of the growers.

We do have a serious situation. The losses to the growers, the canners, the truckers, and to the laborers in Florida are tremendous. I hope somebody in that Department who knows or has practical answers to this problem will come to Florida, and if they think they can solve it by the method they are now applying we would be very happy to receive that kind of assistance. I know that it cannot be done and I think the Department does.

Mr. GURNEY. I thank the gentleman for his contribution.

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

Mr. GURNEY. I yield to the gentleman from Maryland.

Mr. MORTON. I thank the gentleman for yielding.

Mr. Speaker, in the State of Maryland, in the State of Delaware, and in the State of New Jersey a very similar situation exists during the vegetable harvest. Historically the migratory groups have been composed very largely of people from the Bahama project and have moved north after the Valencia harvest from Florida to participate in the harvest of vegetables, strawberries and other farm products along the Eastern Appalachian Plain.

During the last decade the production of these particular crops, particularly on the Del-Mar-Va Peninsula has dropped down to a bare fraction of what it was in years past. This has both a direct and an indirect impact on our total agricultural economy.

For example, in my district alone we have about two dozen canneries which employ a total of well over 2,000 people during the whole summer season. These canneries are now threatened with the possibility of not being able to get crops that they can process and put into the marketplace.

So I feel that the policies that are being followed and that are very dramatically felt in Florida are the absolute, diametric opposite to the policy of trying to help the small family farm. I hope that we can take a realistic look at this whole program again and that the administration will see fit to reverse some of their decisions, so that we may again establish an efficient, well managed, migratory farm harvest group of people who are very dedicated to this and who profit by the experience.

I have spent a good many months and years in the Bahama Islands and I know what the so-called agricultural projects have meant to that country and particularly the islanders in that country who suffer from lack of employment. This project has educated and sent to school many of their citizens.

Another project that has come up in connection with this—and I just came back from the Southwest where I saw it in action—is that a good deal of our vegetable product is moving from the United States into Mexico because of these same policies. This again will disturb our balance of payments. This again will create a loss to American agriculture which is in diametric opposi-

tion to the job we are trying to do of helping the American farmer.

Mr. GURNEY. I thank the gentleman for his contribution.

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

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

Mr. YOUNGER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I want to join with the gentleman and congratulate him on bringing this very important problem to the floor of the House. It is almost inconceivable that with all of the fine words that have been said and all of the propaganda on the war on poverty that the same administration seems to be hellbent to extend the necessity for the war on poverty to our own people and to the farmers.

We have the same condition in San Mateo County which is a small farming area, but where we have always used braceros. We cannot get local help. Now with the bracero program out our harvest is stopped.

I am reminded of the story about the war on poverty. This fellow came up and saw the sign, "Headquarters for the War on Poverty." He came in and he said, "Is this the Headquarters for the War on Poverty?" And they said, "Yes." And he said, "Well, I want to surrender now."

Mr. Speaker, it seems as though it is necessary for the farmers in this country to surrender to their own Government because their own Government will not permit them to make a living. Therefore they are subjected to doles on the part of the Government in order to eat.

I again want to congratulate the gentleman from Florida [Mr. GURNEY] for bringing this problem so forcefully to the floor of the House.

Mr. GURNEY. I thank the gentleman from California for his contribution.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield to me at that point?

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

Mr. PUCINSKI. Mr. Speaker, as a member of the Committee on Education and Labor, the statement made by the gentleman from Florida [Mr. GURNEY] is more than of just passing interest to me and I am sure to my colleagues who serve on this great committee.

Mr. Speaker, I, too, should like to congratulate the gentleman also for bringing this matter to the attention of the Members of the House. However, I wonder if the gentleman would be good enough to answer a question or two in order that I may better understand the gravity of his previous statements.

I wonder if the gentleman would be willing to advise me as to the percentage rate of unemployment in the State of Florida at this time?

Mr. GURNEY. I cannot answer the gentleman's question as to the percentage rate. The gentleman serving on the Labor Committee may be able to inform me on that matter. I know that our unemployment situation is rather good, or to put it another way, that we do not have much unemployment. Does the

gentleman have figures which he could furnish to me?

Mr. PUCINSKI. We have had, of course, widespread reports of unemployment, particularly among the refugees that have recently settled in Florida. However, we are wondering whether or not the problem of recruiting help, American help, help that is now drawing some form of public assistance, could be pressed into work on these projects and would not be more easily obtained if the wage standards were to reach something more comparable to American standards?

I am wondering whether or not the growers—and the gentleman spoke about vast amounts of produce lying on the ground and going to waste—I am just asking myself if, perhaps, the growers are not engaged in a kind of silent conspiracy or boycott because the Congress has terminated this bracero program?

It would seem to me that this is one aspect into which the Congress would want to look.

The other aspect—and I wonder if the gentleman would comment on this matter of the gentlemen who have criticized the termination of the bracero program, would want to leave the impression here in the Congress that somehow just plain Americans are incompatible to the so-called "stoop" labor as it is called in these crop-employment areas?

I am reminded of the fact that there are in this country today and have been for many, many decades, millions of Americans—as a matter of fact I believe the figure at this particular moment is 13.5 million of American citizens, natives of this country, born in this country, reared in this country, Americans of several generations, who are agricultural workers and who have been employed in agriculture and who have earned their living all their lives in this field. So, perhaps, the problem is not in restoring the bracero program, but improving the working conditions of the people engaged in this industry.

Would the gentleman comment on that?

Mr. YOUNGER. Mr. Speaker, will the gentleman yield to me?

Mr. GURNEY. I shall yield to the gentleman from California in just a minute. However, first, I want to answer the gentleman from Illinois [Mr. PUCINSKI]. I was about to interrupt him and say that his information is wrong, but believe me I appreciate his contribution. I really do, and I challenge the gentleman since he is a member of the Committee on Education and Labor in this regard: Why do you not hold a hearing on this matter and find out for yourself what situation exists, just as the Senate committee did a month ago?

Mr. PUCINSKI. Is the gentleman asking me to do that?

Mr. GURNEY. As a matter of fact, I commend to the gentleman from Illinois that he read this report which contains very extensive information given not only by the Department of Labor but by people from Florida, from California and from Arizona, and by Members of Congress, most of them colleagues on

your Democrat side of the aisle, not on my Republican side of the aisle.

Now, let me answer the gentleman further. The gentleman wonders if we do not pay our people enough for their labor in Florida. A good citrus worker can make in Florida today, if he is willing to work and willing to pick, \$25 a day very easily. I feel that represents pretty good wages.

Mr. PUCINSKI. What kind of hours? From sunup to sundown?

Mr. GURNEY. Would the gentleman from Florida [Mr. HALEY] answer that question for me?

Mr. HALEY. Yes, I will answer that question. If a man is engaged in piece-work he works as long as he wants to.

Mr. PUCINSKI. From sunup to sundown?

Mr. HALEY. The gentleman has just said \$25 a day. A good picker in Florida can make \$40 a day, and this does not include free meals, free housing and accommodations. I may say to the gentleman that down in Florida the conditions are much better than you might think people would think, because Florida has some pretty strict laws on housing labor.

I might say further to the gentleman that Florida's unemployment today is the lowest it has been in 9 years. What the gentleman and his committee have not understood and do not want to understand is this: To gather a crop of this magnitude you must have a tremendous amount of labor at a certain time, at a certain period. It will not wait. You must pick the oranges when they are ripe. You cannot use this labor over a long period of time. It is not that kind of proposition.

Mr. GURNEY. I would like to say in further answer to the gentleman from Illinois, lest we get off the track, that the Florida program is not a bracero program. Actually our importation of labor is done under Public Law 414. I know the bracero people have their problems, but we operate under a different law. Only a fraction of our labor requirements each year has come in under this program.

I would like to comment on another point, something that the gentleman from Kansas spoke about. Mr. Crittenden was referred to. I know Mr. Crittenden. He is a friend of mine, he is a reliable citrus grower in the Orlando region. One of the columnists of the newspaper for Orlando, Fla., commented on Mr. Crittenden's situation, and I would like to read some of the comments about his problems with the recruitment program of the Department of Labor. He was speaking of the workers he had brought in from North Carolina. He says:

Of 37 unemployed brought in here by bus from North Carolina Friday, only 8 remained this morning. Crittenden talked to them today and expected only three or four of the eight to remain after payday.

This is the same group that damaged the interior of the bus that brought them here and expended their energy in tearing up Crittenden's labor camp. One of them was just 1 day off a North Carolina prison work gang when he was recruited by the Labor Department and shipped to Orange County.

That may be in part an answer to the gentleman from Illinois in regard to the recruitment program.

The article concludes:

All in all, Crittenden figures his experience (nightmare, it might be better termed) cost him at least \$1,000 in busfare and other expenses. "And those who did work didn't pick enough fruit to pay the out-of-pocket expenses," he adds.

This is part of the recruitment program which the Department of Labor has put into effect.

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

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

Mr. YOUNGER. I would like to say a word about what the growers of California found out in their solicitation for labor. They wrote to every State, the labor commissioner of every State, to find surplus labor. I was particularly interested in the reply from West Virginia, where the labor commissioner said: "No, we do not have surplus labor. We import labor to harvest our crops on the farms. We do not and cannot harvest them with local labor."

Yet West Virginia is one of the so-called Appalachia States, one of the highest in unemployment, yet they import their own labor in order to harvest their farm crops.

Mr. TEAGUE of California. Mr. Speaker, will the gentleman yield?

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

Mr. TEAGUE of California. I notice, as usual, that the majority leader is on the floor, and the Speaker is in the chair. I would like to have these two points made clear in the RECORD. The President has quite properly expressed some concern about our balance-of-payments situation. I just checked into that matter, and I find from California alone we have been exporting in the neighborhood of \$30 million primarily in citrus products, including some vegetables, \$30 million worth of fruits and vegetables, overseas per year. As of now, and with no indication that the situation will improve, we simply will not be able to harvest the fruits and vegetables which have been going overseas. This is a \$30 million item in our balance-of-payments problem.

Furthermore, as has been pointed out before, more and more processors from California are moving to Mexico. More and more farmers are moving to Mexico. They can grow tomatoes, lettuce, citrus and other fruits and vegetables almost as well in Mexico at a wage of a dollar a day instead of a dollar and a half an hour or \$3 an hour for a good pieceworker in California.

One last point, an important one, is that the President spoke in some of his statements in the campaign, in Indianapolis, I believe, of his desire to cut down the support price program. I had a letter just yesterday from the manager of the Lima Bean Association. These people deal in lima and other types of beans. The people who grow these beans also grow strawberries, lettuce, onions, citrus, and other items. The manager reported to me that these men were going to in-

crease very much their bean production because they were going to cut down their strawberry, lettuce, and field-crop production because of the almost certainty that there would not be full harvest of their crops. Dried beans are mechanized. They need almost no farm labor. Dried beans are one of the few—in my district the only—price-supported crops. Therefore we are going to have a situation where there is a probability that the total cost of our price support program is going to be increased by tens of millions of dollars through the inability of our California farmers to harvest their fresh fruit, which is not price supported.

Mr. GURNEY. I certainly appreciate the comment of the gentleman from California.

I should like to comment a little bit on the recruitment efforts made by the Secretary of Labor. I suspect he is well intentioned. I think he actually intends to solve this problem if he can. He makes a point that there are 3.8 million people unemployed in this country. He says obviously there will be no problem in recruiting a few thousand workers from this 3.8 million people. But the point is there are very few agricultural workers among the 3.8 million people. Many of those who are agricultural workers among this great number are in the unemployed list because they left the farm and do not want to go back. This is the problem we have.

The Secretary of Labor sent one of his lieutenants to Florida. He looked all around and talked to the growers and the workers. He came back to Washington and reported something. I am not exactly sure what he reported, but after that Secretary Wirtz issued a big release and said, "We are going to start a massive recruitment program and solve all our problems down in Florida."

At that time we needed somewhere around 3,000 or 4,000 workers. In the 3 weeks' time that the Department of Labor started this major recruitment program actually about 1,000 workers came in. One might think from this situation that that was a good start and the problem could be solved. But at the end of the 3-week period, of the 1,000 workers the Department recruited and sent into Florida, 60 percent had gone.

I hope the gentleman from Illinois who asked the question a short time ago is listening because this is what has happened. The growers could have told the Secretary of Labor this would happen because the growers have been trying to recruit their own workers year after year after year. This year they sent task forces into every Southeastern State. They set up field offices. They talked to the labor people in these States. They told them of their problem. They tried to get workers to come into Florida. They sent out buses to bring them back. They paid their expenses. They housed them and fed them. In some instances, as in the case of Mr. Crittenden, that the gentleman from Kansas, Congressman DOLE, talked about and that I amplified, out of 37 workers that he brought in at his own expense one week, later on he had 8 left. The rest had gone.



Out of 21 workers that another grower brought in—they came in early one morning after traveling all night and he gave them the day off and let them sleep, provided barracks for them to sleep in and gave them food. The next morning when it was time to work—how many do you think were on hand? He had 10 left out of the 21. And of the 10 that were left, 1 had to be sent back because he was too sick to work.

These examples could be cited over and over again. The list is endless. The Florida farmers have tried to solve their problems. They have tried to do a good job. They have tried to live up to their responsibilities. As a matter of fact, they have complied with all the regulations set forth by the Department of Labor but they just cannot get the people to pick the fruit. The crops are lying on the ground. Millions of dollars of produce are piling up on the ground. I must say as far as I am concerned that this is a terrible way to fight a war against poverty. As a matter of fact, it seems to me that the bugles instead of sounding the advance in this war, are blowing retreat as hot as they can. As far as the Florida farmers are concerned, it is not retreat, it is taps. I think it is high time that we do something about it. I think it is high time that the U.S. Government and the Secretary of Labor did their job and tried to help American businessmen, in this case the farmers, to try to make a decent living so that they can pay their taxes and shovel the money up here to Washington to fight this war against poverty. Pretty soon we will not have any taxpayers left and we will not be able to fight this great war against poverty.

Now my time is running out and I want to conclude simply by saying that the problem is really a simple one.

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

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

Mr. TALCOTT. I would like to take just a couple of minutes to amplify what the gentleman from Florida is saying, particularly with regard to the State of California because I think we have not seen anything yet. I happen to represent a district that is an agricultural district which grows one-fourth of all the head lettuce in the United States and that grows one-fourth of all the strawberries in the United States and 95 percent of all the artichokes, one-fifth of the broccoli and one-fifth of the celery. That is a lot of produce. It takes a lot of effort and a lot of people to harvest this kind of crop. But it also happens that the exact time of the year that the crop has to be harvested is when all of the other businesses and all of the other industries in the United States are working at full capacity and employing the most people, such as the building trades in the summertime and the tourist industry and at the same time that people are employed to the greatest extent working in restaurants and cafeterias. This harvesting work has to be done at the very height of this employment and at the very time when we need most of our

domestic workers or any kind of workers that we can find.

In partial answer to the gentleman from Illinois, I want to point out that we pay the highest wages also and have the best working conditions and nice places to work. We are able to pay as much as \$1.46 an hour which is higher than any other rate paid for a comparable skill. Our people have made every effort that they can to recruit this labor. They have written to every secretary of state in every State in the United States and to every department of labor in every State in the United States. The States do not have a supply of farm labor, except one State, and there they are not willing to travel all the way to California.

I think there are several myths about this whole question. One of these myths is simply because we have some unemployed people in the mines of West Virginia and just because there are some unemployed people in the slums of New York and in the cotton fields of Mississippi that those unemployed people are going to go someplace else to work.

This simply is not true. We have to find workers who are willing to come to work.

Another example of what the farmers in California have done since the termination of the bracero program, in addition to recruiting in every State of the Union, is that they have used prisoners; they have used people from the YMCA; they have used students, including girls, trying to find those who will work in the fields.

As an example of one experiment, one farmer brought 46 people—young, strong agricultural workers—from Mississippi to one of the valleys of my district to work. After the first 2 weeks, there were only 11 remaining, and 8 with the original employer. All of the others had either gone back home, because men get homesick as well as boys, or else had migrated to San Francisco and to Oakland, where they began to take jobs away from restaurant workers, gas station workers, and other people of lower skills, thus taking jobs away from other domestic people. This is when the union people out in our neck of the woods began to get interested in this program, because they could see that the people who were being imported into California to work on the farms soon left the farms and took jobs away from local domestic workers.

This is a myth we should do away with, because there are many people who are dissatisfied with the slums in New York or the mines of West Virginia who will simply not come to California to work.

Another myth which I should like to call to the attention of the House is that the farmer should not be the one to take care of all the welfare problems of the rest of the country.

Merely because people are unwilling or unable to work in a factory or a transportation system does not mean that the farmers in California, or elsewhere, should be required to handle a welfare program for them. Recently, a man was assigned to the field to work at stoop labor, although he had two peg legs. It is impossible for this man to earn a

profit for his employer, and this should be the test. That actually happened. I am not saying that a man with two peg legs should not be taken care of, but it should be by the doctors or the lawyers or the other people, and not the farmer.

It is a myth to say that merely because there are unemployed people in the country the farmer should take care of them, as a welfare agent.

Another myth which is going around is that we should change our immigration laws from the quota system based on national origin to something based on skills. The very same people who are promoting the change of our immigration laws to permit people to come here on the basis of skills are the people who are opposing the importation of Mexican nationals, yet the skill we need in this country at the present time is the stoop labor skill to do the work on our farms.

It seems a paradox to me, which people should think about.

There are many other things which I should like to say about this farm labor program.

Mr. GURNEY. I thank the gentleman for his contribution.

Mr. MORTON. Mr. Speaker, will the gentleman yield for a question?

Mr. GURNEY. I yield to the gentleman from Maryland.

Mr. MORTON. I am a little disturbed about something which I may have misinterpreted in the statement by the distinguished gentleman from Illinois, concerning a conspiracy of farmers and growers banding together for the purpose of making the present policies—of the Labor Department in the discontinuation of the bracero program—not work; in other words, the use of a conspiracy to create pressure. If the gentleman from Illinois was referring to that, I feel that it is a very unfair statement, particularly as it may concern the family farms of the eastern Appalachian plain. I have never seen any conspiracy or any banding together to leave crops on the ground or to let them rot in the fields. Our people are not in good enough financial shape to afford that luxury. I resent very much the thought, even, that the American farmer is conspiring to change the policies that have been handed down by the Federal Government in such a way.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield for a reply, since I have been mentioned?

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

Mr. PUCINSKI. I did not accuse anybody of a conspiracy. I merely raised a question as to whether there was some boycott, merely because these large growers had been forewarned by this Congress repeatedly. The bracero program was not killed overnight. There was an ample opportunity given to all these people to make whatever preparation they had to. When my very distinguished colleague tells me he cannot walk through an orchard because of crops going to waste, certainly that means there has been some very bad planning somewhere along the way.

Throughout this discussion we had repeatedly heard about the barracks that

they furnish and other things. My question is, What do you pay these men? If there is unemployment in this country—and there is—and we have a poverty program in effect now in order to reduce unemployment and yet these people are on the public dole, then perhaps you ought to look for your answer at what you are paying them. Are you making this work sufficiently attractive in order to attract people?

Mr. GURNEY. Mr. Speaker, I refuse to yield further.

Mr. Speaker, I thank the gentleman from Maryland [Mr. MORRIS] for bringing that point to my attention. It had escaped me, and I certainly want to substantiate his argument. As far as the Florida farmers are concerned—the citrus people and the vegetable growers and the sugarcane growers—this is not only an absurd charge, but it is a serious charge and one which I should think the gentleman from Illinois would certainly have been advised not to make. There is not any conspiracy among Florida farmers. There is cooperation among them in trying to get the Department of Labor to solve this problem, but so far the Department of Labor has not seen fit to resolve it.

Mr. DOLE. Mr. Speaker, will the gentleman yield to me for one other comment?

Mr. GURNEY. Yes. I yield to the gentleman from Kansas.

Mr. DOLE. I might add I had an opportunity to go over the payroll record of Mr. Crittenden because it ties in with the statement of the gentleman from Illinois. I think that one of the top pickers, as I recall it, made \$89 in 1 week. Of course, if you do not pick, you do not make any money. It is based on so much per box. Those who are industrious and work at it make a living, and that is as it should be. This might refute any part of that conspiracy statement.

Mr. GURNEY. I would like to make another observation here, also, which I think the House ought to take notice of. This Government spends billions of dollars in agricultural subsidies. I do not know whether that is right or wrong, because I am not knowledgeable in this field, but I can tell you one thing and that is, there is one segment of agriculture in the United States which does not receive a single dollar of subsidy. This is the citrus industry of the State of Florida. Two years ago we had the worst freeze in this century. We lost scores of millions of dollars, the freeze destroyed groves and ruined crops. Our citrus people are still trying to struggle back. But there was not a single Florida citrus man who came peddling up here to Washington and to Uncle Sam to ask him to bail him out. They take their hard knocks when they come and they carry their own load. All that they want is to be let alone and to be helped out a little in solving their labor problem so that they can harvest their crops and make some money in order to pay the taxes which help to support the Government. I think the Secretary of Labor might take this into consideration when he is considering this problem.

Mr. TEAGUE of California. Mr. Speaker, will the gentleman yield?

Mr. GURNEY. Yes. I yield to the gentleman.

Mr. TEAGUE of California. The gentleman from Illinois made a statement which has so often been made in this House about the big farmers. The big farmers are going to worry through this in one way or another. Most of them have a little backlog and they can afford to send buses a few hundred miles in order to pick these men up, even when they get only 1 out of 100 workers they bring. They can afford to do this. I am not worried about the big farmers, but I am worried about the little farmer who cannot afford to do that sort of thing, as well as I am worried about the housewives and the packinghouse workers and the drivers.

Mr. GURNEY. I thank the gentleman.

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

Mr. GURNEY. Yes. I will be happy to yield to the gentleman from Ohio.

Mr. McCULLOCH. I am very pleased that the gentleman from Florida [Mr. GURNEY] has brought this matter to the attention of the House and the people of this country. I am glad you mentioned that it is not the big farmer that is troubled by the problem which they face. Of course, you all know that Ohio is either one, two, or three among the top producers industrially of all the States in America. I presume some of you do not know that more tomatoes—or tomatoes, however you want to pronounce it—are produced for juice in my State of Ohio than in any other State of the Union. The tomato farmers or growers have acreages ranging from 5 to 25 or 30 acres. We find it impossible in many of those places, among the farmers in Ohio, to get the labor to harvest that crop, which in many instances must be harvested immediately, within a 2- to 3-week period. I am glad, I repeat, that the gentleman has brought this problem to the attention of the country.

Mr. GURNEY. Mr. Speaker, I thank the gentleman from Ohio. Let me press the point that the gentleman made and also the point made by the gentleman from California about the little fellow and the big fellow. The little fellow in this push-and-shove is going to get pushed out of business. He is going to be pushed to the wall. He is going to crash financially if he does not get to get some help. But let me tell you what the big fellow is going to do. He is going to do exactly what the big fellow has always done in this country, and that is what has caused a large part of the balance-of-payments problem; he is going to ship his capital out of the United States, as some of our big industries have already shipped their capital to Europe, to get a more favorable wage situation.

Already, as far as agricultural products are concerned, as far as the citrus people are concerned, they are already looking south of the border, in Mexico, and in Latin American countries, and in South American countries.

If the U.S. Department of Labor is going to shove them right up against the wall and smash them, they are going to

find a way out and they are going somewhere else and they are going to take their dollars there. They are going to raise other crops and bring them back to this country and then we are going to lose all over again. This is another matter that I think the Secretary of Labor should think about.

Mr. Speaker, in conclusion let me say this. The farmers of Florida have certainly done their best to comply with the regulations set out by the Secretary of Labor. He, willfully and arbitrarily—and I use these words advisedly—refuses to certify the Florida farmers the necessary labor to handle the problem down there and harvest their crop. By a stroke of the pen he could correct this situation today if he wanted to, but he refuses to do so and he has caused an incalculable loss.

In April, when our Valencia crop comes along, if we do not get relief the loss is going to be much greater. I call upon him and the administration to stop this warfare against Florida and other farmers and get some sanity back into this unhappy situation.

Let me continue with my formal statement, as I see my time is running out.

Now, I want to point out here that I have been talking about dollars lost to the growers only. Heaven knows what the ultimate loss of dollars will be. I want to hammer home the point that it is not just citrus growers that will be hurt by this arbitrary action of Secretary Wirtz, but truckdrivers that haul the fruit, filling stations that sell gas to the truckers, auto and tire workers that build the vehicles, workers in processing plants, workers in plants that make the cans that hold the juice, steel and aluminum workers that manufacture the metal going into the cans and so on. It is a chain reaction. I want to hammer home here, too, that the dollar figures I have just touched on are for Florida citrus. Losses in vegetables and sugarcane in Florida will be severe also, and then there are the other States of California, Arizona, Texas, and many, many others.

Secretary Wirtz and this administration are playing with fire here. They are fighting a Great Society poverty war all right, but their bugles are blowing retreat instead of advance. Or to put it another way, the bugles are blowing taps for a lot of fine, hard-working, taxpaying American farmers.

And incidentally, speaking of farmers, I think another fact is worthy of note here. The U.S. Department of Agriculture spends billions every year on agricultural subsidies. But did you know that there is one great agricultural endeavor that is not subsidized, and that is citrus? These people have never come to Uncle Sam and asked to be bailed out of a bad deal. Two years ago Florida citrus men suffered the greatest disaster in the century in the big freeze of 1962, but as far as I know, not one citrus man asked for any Federal subsidy. And it is these self-reliant people bearing their losses in bad years, paying their taxes in good years, that Secretary Wirtz would deny sufficient labor to harvest their crops.



Now, let us turn to Secretary Wirtz for a minute—what reason does he give for this shabby treatment of our farmers?

His case is based wholly upon the premise that there is a sufficient domestic labor supply. He makes the point that there are 3.8 million unemployed in this country and that fruit and vegetable pickers can be recruited among these. I wish I had the benefit of the Department of Labor statistics, if in fact they have reliable data, which I sometimes doubt. It seems to me they have a strange habit of going up or down depending on whether it is election time or not.

Anyway it is obvious that we are talking here about specialized labor. First of all it is hard labor climbing ladders; heavy loads, and you knock out most of your so-called eligibles right there. It is also a fact of life that someone who is an unemployed factory worker in a northern city does not want to leave his family and come 1,000 miles or more to Florida to pick oranges. So it is obvious this 3.8 million figure probably includes only a few thousand potential agricultural workers.

But now let us look right at unemployed agricultural workers themselves. What about them?

Let me preface their story by saying that one thing about Florida citrus men, they are not stupid and they are self-reliant. They saw some time ago that they could expect very little sympathy and still less help from this New Frontier-Great Society method of running things in the Department of Labor. So they did their best to recruit agricultural labor from all other Southeastern States. This season, especially, a great effort was made, a special team went around to the Southeastern States where hope of recruiting existed. I point out in this recruitment program, traveling expenses of the workers are paid into Florida, housing furnished in some cases, advances for food made where necessary; in other words, some of this tender, loving care advocated by Mr. Haltigan of the Department of Labor is definitely given. The results? Completely unsatisfactory. Very few workers have been recruited, and those that come here hopelessly unsatisfactory in most cases. Many were physically unfit for work, others just did not want to work, and a very sizable percentage just came along for a free ride to Florida—they never showed up for the first day's work.

Here is one example. One Florida grower recruited 21 workers from out of State. He paid their expenses, into the State, and enough for their lodging. They had traveled all night so he told them to rest the first day. The second day 10 showed up for work, the others had left. Their mission had been a free ride at the grower's expense. Of the 10, 1 had to be sent back at the grower's expense when it was discovered he had an injury preventing his working.

These case histories are not an exception. They have been duplicated in varying degree in nearly every single case of out-of-State recruitment.

Now despite all kinds of evidence such as I have just cited, Secretary Wirtz announced, last month, that the Department of Labor would undertake a mas-

sive recruitment program of its own. Now, I do not doubt that he was completely sincere in this endeavor. I will give him the benefit of the doubt and believe that he honestly thought there were agricultural workers around here and those who could fill the bill.

How did his program work out? It was a dismal flop. Thousands of additional citrus and other agricultural workers were needed to pick the crops which were falling on the ground and rotting before Secretary Wirtz announced the Department of Labor would save the day and show the citrus growers how the job of recruiting these millions of unemployed should be done. In 3 weeks' time, beginning January 26, Secretary Wirtz' crash program produced 1,063. Now, one might think from that figure, that there was some hope, that even though the midseason crop might be partly down the drain, at least there was some hope for the future. But, not at all, for on February 11, 60 percent of these recruitments had already disappeared.

I am dealing in numbers only. I cannot speak of the quality of these recruits. However, I know many growers and they have told me their personal experience. Listen to this example:

#### GOOD EVENING

Not so cold, after all.

Citrus growers, behind in their harvesting because of a labor shortage, probably benefited from this morning's cold.

Duke Crittenden, who along with partner Harry Price, were victims of the Government's importation of domestic labor as fruitpickers, found some consolation this morning in last night's cold weather.

"The cold weather should have helped hold the fruit on the trees," Crittenden explained. Many groves have thousands of oranges on the ground. The cold snap may slow down the maturing process of fruit remaining on the trees, thereby giving growers a little more breathing room for harvesting.

Crittenden, who lost part of his tangerine crop earlier in the season because he couldn't get enough labor to harvest it fast enough, was one of the citrus men who hoped to import experienced West Indies pickers. As everyone now knows, Labor Secretary Wirtz turned them down and sent unemployed domestic labor here instead.

Of 37 unemployed brought in here by bus from North Carolina Friday, only 8 remained this morning. Crittenden talked to them today and expected only three or four of the eight to remain after payday.

This is the same group that damaged the interior of the bus that brought them here and expended their energy in tearing up Crittenden's labor camp. One of them was just 1 day off a North Carolina prison work gang when he was recruited by the Labor Department and shipped to Orange County.

All in all, Crittenden figures his experience (nightmare, it might be better termed) cost him at least \$1,000 in busfare and other expenses. "And those who did work didn't pick enough fruit to pay the out-of-pocket expenses," he adds.

If 50 percent of the workers who remained were really worth much as pickers, I would be surprised.

I think worth noting in passing is a set of instructions the Secretary sent out during this crash program. I read from these: "Workers should be met at the time and place for their arrival, shown where their housing is located; the foreman should give instructions on the type

of fruit to be harvested, where to place ladders" and so on and on.

Now mind you, these instructions sent to men who have been in the citrus business all their lives, handling labor of all kinds all their lives. If I have ever read the product of a chairbound bureaucrat, this is it. It is ludicrous.

I doubt if this bureaucrat has been nearer to an orange than on his breakfast table.

To give you an idea of the frustration and disgust of our Florida farmers, let me quote from a letter from a grove owner back home, which I received about 10 days ago. This letter is mild. I have many more that are quite unquotable.

I doubt if I can add much more, except to duplicate fact on fact and figure on figure. To those of the House who are interested in more detailed information, I refer you to the text of the hearings before the Senate Committee on Agriculture and Forestry held on January 15 and 16. It makes interesting reading, I assure you, and sets forth this sad tale of woe to the Florida farmer as well as those in California, Arizona, and several other States, in great detail.

To sum, here is the exact state of affairs. In Florida and, of course, many other States—but I cannot speak for them because I do not have personal knowledge—our farmers cannot harvest their crops because of an acute shortage of labor. They have suffered losses of \$6 million in citrus alone. They stand to suffer much greater losses.

There is existing legislation, Public Law 414, passed in this House and the Senate, under which they can get relief, and that was the express purpose for the enactment of this legislation.

The Secretary of Labor has set up certain standards and regulations to cover the employment of labor in this field of agriculture.

The farmers of Florida have done their best to comply, and from all the information I have, they have complied.

The Secretary, Mr. Wirtz, however, arbitrarily and willfully, refuses to certify the Florida farmers the necessary offshore labor to fill the gap of domestic shortage of labor. By a stroke of the pen, he could correct the situation today, now.

He refuses to do so. He has already caused the loss of millions of dollars to farmers. He has caused incalculable loss to others. He claims to try to create jobs for unemployed; instead he has cost jobs of employed.

If he persists in this wholly unreasonable attitude he will cause much greater damage than he has already.

I call on him and this administration to stop this warfare against my Florida farmers and other farmers and get some sanity back into this unhappy situation.

Let me close with one other thought. I have talked about the present situation—this crop season of 1964-65. If the Secretary of Labor does not change his stand, what will be the eventual consequences? The little fellow will be forced to the wall and busted. The big fellow farmer will do just what other big fellows in industry are doing—picking up their marbles, going abroad to Europe,

where they can operate under more favorable circumstances.

This is already taking place in agriculture, and competing operations have already been set up by American investment in Latin America.

If ever I saw an example of cutting one's nose off in spite of one's face, it is certainly here in this agriculture labor mess.

For Heaven's sake, Mr. Secretary Wirtz, listen to reason and see the light of day. Well intentioned though you may be, having the interest of labor at heart as I know you do, can you not see that your present policy is spelling not only ruin for the farmer and employer but also the laborer whom you profess to do battle for.

If you really want to fight the poverty war, then let our farmers help you. Do not fight them and hence lose this war.

WIRTZ SENT \$100 FOR PLANE TICKET SO HE CAN COME INSPECT OUR GROVES

Editor, this was sent Sunday to Secretary of Labor Wirtz together with my check No. 1660 drawn on the State Bank of Apopka:

"You are wrong, Mr. Wirtz. I use this kind term because it is Sunday, and not a day for blasphemy.

"I went to my grove this morning and I looked at my pineapple block, and saw these ripe oranges falling to the ground. I looked at those on the ground. They have been dead ripe for 30 days, and they have not been picked because of you, Mr. Wirtz.

"During the 1962-63 season we had a freeze. Were you making mistakes then? Since then, on a \$100,000 investment we have had less than a \$5,000 return. Our trees froze, and we spent many thousands in restoration. This year we thought we could have a return on our money invested. My crop sits there drying out, falling to the ground, and rotting. Why, Mr. Wirtz? Because of you.

"These workers you have sent to us are a liability. Please don't send any more. Just let our taxes keep these perennial misfits in spending money, but don't burden us with them.

"We are proud, Mr. Wirtz, and we don't need aid, and we won't have your fumbling subsidies. We just want you to keep your hands out of our business.

"I am attaching a check made out to Eastern Air Lines for \$100. This is fare for you to fly down to Orlando to meet me. We are going to drive out to my grove, and you are going to look at the problem. As the oranges fall, you can pick up a sack and take them home to Mrs. Wirtz. I want you to see this chaos you have wrought. Call my home collect, Mr. Wirtz—Terrace 8-2509, Maitland, and I will meet your plane."

F. C. FOAN, Maitland.

EDITOR: Have been reading of the work shortage in the citrus groves. Am enjoying the Florida sunshine for the winter and am curious to know how it is that you cannot import your own labor without having the permission of Washington.

We are slowly drifting into socialism and I, for one, hate to see that happening. Also, how long can we run this country on a deficit budget? For just my share of the national debt they would probably have jailed me long ago if I was directly owing it. No wonder it's getting harder to sell U.S. bonds.

L. P. HILDRETH, Lake Jem.

TITUSVILLE, FLA.,  
February 1, 1965.

Congressman ED GURNEY,  
House of Representatives,  
Washington, D.C.

DEAR SIR: I would like personally to appeal to you for help in the harvesting of our

citrus fruit. As owner of 200-plus acres of groves we at this very day are having a terrific dropage of our temple citrus fruit and pineapple citrus fruit due to the unavailability of sufficient personnel for the harvesting of these crops. It is essential that we be relieved in some manner in the next few days. We would like to bring out that the availability of domestic help is nil due to the Cape Kennedy space program. It is almost impossible to find sufficient domestic labor for the caretaking of citrus groves. Thanking you for your help in the past, I remain, sincerely yours,

ROY ROBERTS.

STATEMENT BY CONGRESSMAN EDWARD J. GURNEY, REPUBLICAN, OF FLORIDA, FOR INCLUSION IN THE RECORD OF HEARINGS BEFORE THE SENATE AGRICULTURE AND FORESTRY COMMITTEE, JANUARY 19, 1965

Citrus is the lifeblood of central Florida as well as most of the Sunshine State. Today it faces a major threat to its very survival in the hard and strict policy laid down by the Labor Department.

Citrus growers in Florida have for many weeks requested additional workers from the offshore labor supply. Their pleas, however, have gone unheeded.

The Florida citrus industry has more than complied with the Department's criteria over the years. The Department's criteria have been for citrus producers to pay a minimum wage, carry out continuous recruitment efforts, advance transportation costs to workers, guarantee domestic workers job priority, and provide free housing.

These criteria have been met justly by Florida citrus growers. Beyond these minimum standards set by the Department, the citrus industry has been looking ahead, trying to meet its needs through their own efforts.

For instance, the recruitment programs have been exhausted by the industry.

Clark Ghiselin, secretary of the Citrus Industrial Council, has traveled extensively throughout the southeastern States in an effort to stimulate a labor supply.

He visited State industrial commissions in Arkansas, Louisiana, Mississippi, Alabama, Georgia, North and South Carolina, traveling with a regional staff member of the Labor Department.

In addition to meeting the Department's requirements in these recruitment efforts, Florida's citrus industry has made attractive offers on its own.

The industry has requested advance estimates from these States of the number of single males, Negro and white that they could provide. The industry has even stated that if estimates are above the average, it will build housing to meet the need. The industry has asked these States to hold annual farm placement meetings so Florida employers could travel to the States and make personal contact with prospective employees.

Florida pioneered this latter approach in Mississippi in 1961. After making a similar request to Alabama over a 2-year period, that State is now holding an annual farm placement meeting. This year, the Georgia Industrial Council held such an annual meeting for the first time.

However, Florida's Citrus Industrial Council reports these farm placement meetings have not been successful in recruiting adequate labor supplies.

But the council continues to try and solve these problems. Mr. Ghiselin plans to meet next week with Arkansas and Tennessee officials to lay the groundwork for future farm placement meetings.

If the citrus industry has not been able to secure adequate labor supplies from domestic forces, it must turn to offshore workers who have long filled the gap.

To give you an example of the urgency of the situation in Florida, let me cite some figures:

In the 1961-62 season, the Florida citrus industry used a peak of 25,000 workers, with approximately 6,000 of these offshore laborers.

In the 1962-63 season, the year of the big freeze in Florida, the industry again used 25,000 workers, with about 6,000 offshore workers.

The following year, 1964, the peak period saw 13,000 workers with 3,000 of these offshore workers. In 1965, the peak was 16,000 and 3,500 offshore workers.

But, there was also a 40-percent increase in the orange crop this year over last year, a 20-percent increase in grapefruit production, and 18-percent increase in tangerine production.

This points up the improved methods of production and high efficiency of the industry. In that regard, the industry has been able to get by on fewer workers by having a State agency clearinghouse which checks on crews. When a crew slacks off in one area, it is moved around to where it can be more effectively worked.

But looking into the future, Florida's citrus industry, it is estimated, will need 50,000-plus workers in another 10 years.

Prior to the big freeze, there were 660,000 citrus acres. After the freeze there remained 420,000 acres in production. The rest was either young grove, killed, or damaged to the extent it was nonproducing.

By 1968, however, the industry will have recovered 660,000 acres. By 1973-74, with the plantings in the ground now, the acreage will be in the neighborhood of 880,000.

This means a picking force of 50,000-plus men as estimated by the industrial council.

With those facts in mind, the industry was understandably shocked by the Labor Department's announced policy to eliminate all offshore labor.

A good concrete example of how ineffective the recruitment program, as required by the Department, has been, can be seen by the problems encountered by one citrus grower.

This particular grower recruited 21 workers from out of State. They arrived one morning after an all-night ride at his expense. He had them bunk down for the day to rest after feeding them and giving them picking sacks for the next morning's work.

Come the following day, however, and he found only 10 of the 21 workers still on his farm. The others had left, explaining they were hitchhiking to West Palm Beach.

Incidentally, one of the remaining 10 workers had to be sent back to his home State at the grower's expense when it was discovered he had been injured prior to being hired.

Even in the face of such problems, however, the Florida citrus industry has not been idle, as I have related in this statement.

Our citrus industry needs help immediately. A freeze this week has compounded a bad situation. The freeze points up the critical need for this added offshore labor for central Florida citrus growers are faced with an emergency situation. They must get their crops picked and without an adequate labor supply, they face ruin.

My State's citrus industry is fighting as best it can, but it will surely suffer millions of dollars in crop losses unless something is done quickly to allow citrus growers to gather their crops.

For the record, I request that the following sample telegram be printed. The situation described in this is typical of the acuteness of this problem.

ORLANDO, FLA.,  
January 19, 1965.

Congressman EDWARD GURNEY,  
Washington, D.C.:

We are facing the most critical and acute labor shortage this company has ever experi-



enced. We have in excess of 300,000 boxes of citrus to harvest within 30 days. At present we are harvesting approximately 5,000 boxes per day. Last year not under similar conditions we harvested approximately 15,000 boxes per day. Due to the advance maturity of our citrus and the most evident lack of pickers to harvest this fruit we ask for any assistance that you may render. We have exhausted ourselves of every way and means we know to alleviate this situation.

Thank you.

BABYJUICE CORP. OF FLORIDA.

Whereas there is a shortage of suitable labor for the citrus and truck farming industries, and

Whereas the ban on importation of offshore labor has contributed to this shortage of suitable labor, and

Whereas the citrus and truck farming industries are approaching a financial crisis due to the lack of such suitable labor: Now, therefore, be it

*Resolved*, first, that the Secretary of Labor take immediate action to alleviate the critical shortage of suitable labor in the citrus and truck farming industries; second, that the Secretary of Labor should remove the ban on importation of offshore labor; third, that a copy of this resolution be forwarded to the President of the United States, the Secretary of Labor, the U.S. Senators from Florida and the Members of the House of Representatives from Florida.

STATE OF FLORIDA,  
County of Orange:

This is to certify that the above and foregoing is a true and correct copy of a resolution adopted by the board of county commissioners at their regular meeting held February 1, 1965.

In witness whereof, I have hereunto set my hand and official seal of the board of county commissioners, this the 9th day of February 1965.

ARTHUR W. NEWELL,

Clerk, Board of County Commissioners.

By D. S. BANNER,

Deputy Clerk.

Whereas the city of Lakeland, Fla., is known as the world's citrus center and the economy of our citizens is dependent to a tremendous extent upon the production and returns from citrus fruits produced in our immediate area; and

Whereas Polk County produces about one-fourth of all of the citrus fruit grown in the State of Florida; and

Whereas it has come to our personal attention that the growers in our community have been unable to harvest a portion of the present citrus crop through a failure to secure the usual complement of qualified citrus pickers; and

Whereas it is common knowledge that the loss of citrus fruit in our county this season has amounted to hundreds of thousands of dollars through failure to harvest that fruit while in merchantable condition; and

Whereas this shortage of citrus harvesting labor is a matter of grave concern to the entire Lakeland business community; and

Whereas influential citrus growers in our membership inform us that the present problem arises primarily because of the failure of the U.S. Department of Labor to allow offshore workers to be used this season in citrus harvesting operations in Florida in numbers sufficient to cope with our emergency situation; and

Whereas the alternative, interstate workers sent into Florida by the U.S. Department of Labor have proven to be a burden rather than an aid in resolving this shortage of harvesting labor: Now, therefore be it

*Resolved by the board of directors of the Greater Lakeland Chamber of Commerce*, That the condition complained of be made known to President Lyndon B. Johnson, the

Honorable Orville L. Freeman, Secretary of Agriculture, the Honorable Willard Wirtz, Secretary of Labor, and to the Members of the Florida Congressional Delegation with an urgent appeal for proper remedial action simply to protect this \$3 billion industry from further disruptive losses and irreparable damage to our business community.

Unanimously adopted this the 8th day of February 1965.

J. I. CLARK,

President, Greater Lakeland Chamber of Commerce.

Attest:

JOHN M. BRYSON,  
General Manager.

[From the Citrus and Vegetable magazine, January 1965]

NO END SEEN TO FARM LABOR SHORTAGE SAYS  
FFVA'S DIVISION MANAGER

Announcement of U.S. Department of Labor plans to launch a massive recruitment effort to fill seasonal farm jobs in Florida, California, Arizona, and Texas brought the prediction from a Florida Fruit & Vegetable Association spokesman that the drive would confirm the existence of widespread labor shortages.

"We'll gladly accept any help they want to try to give us, even though we don't expect much in the way of results," said W. H. Anderson, Jr., manager of the association's labor division.

"On the other hand," he said, "the industry has no reason to believe that even the Department of Labor expects to find that farm laborers are available."

He cited recent and current findings of the Florida State Employment Service that farm jobs are going begging in most active farming and citrus areas, and pointed out that independent efforts by farmers and growers to recruit workers in Southeastern States have yielded disappointing results.

"I believe that the official reports of the public employment service agencies in all of these States ought to convince any reasonable person that no one is kidding about the limited labor supply," Mr. Anderson said. "The insistence by the Federal agency that it take a firsthand role in a recruitment effort must therefore have other significance."

He explains that he expects the Federal agency will try to talk farmers into raising wages even higher than now required by the labor agency's regulations.

"They would like to claim that labor shortages could be overcome with higher wages," Mr. Anderson said. "But wages have climbed in every segment of our industry for several years and our shortages continue to increase. That is no answer to our problem. It hasn't even put much more money into the pockets of the average farmworker, for a very large number of them simply slow down their efforts and work fewer days."

On the other hand, he pointed out that the better farmworkers are now earning as much or more than workers in comparable jobs in nonfarm industries.

The Labor Department's decision to launch an intensive recruitment drive coincides with the end of the government-operated Mexican labor program under which Mexican nationals have been recruited to meet farm job demands in the Western States. It also came on the heels of a series of hearings held by the agency, including one in Miami on December 2, to determine whether present Federal controls are adequate to protect the interests of domestic workers in areas where supplemental foreign workers might be employed to meet labor shortages.

Florida fruit and vegetable producers who employ foreign workers already pay all workers in their hire a minimum of 95 cents per hour, regardless of whether foreign workers are engaged in the same crop or the same

kind of work. Sugarcane growers pay at least \$1.15 per hour. According to the farm organization spokesman, the average farm worker earns substantially more than these minimum wage levels.

"We are told that about 32 recruiters will be sent to Florida," Mr. Anderson said. "About half will be men selected from desk jobs in Washington and other Federal offices, and the remainder will be employees of employment service agencies from other States."

"We are also told that the Florida State Employment Service and Florida Industrial Commission are supposed to retain control over the activities of these outside recruiters. I doubt that this actually is intended. The Florida officials have already reported on the farm labor situation and so have the officials of similar agencies in the southeastern States. The Labor Department has had plenty of opportunity to listen to the officials of these States if they really intend to be guided by them."

Mr. Anderson said that about 13,000 workers are now employed throughout Florida agriculture on a supplemental basis. Several thousand more domestic workers are expected to come to Florida after the holiday season as in the past, but present statewide shortages are expected to become severe with the approach of peak harvest operations in January and February, he added. Some crops, including sugarcane, should set record production levels if harvests can be completed without losses.

FEBRUARY 13, 1965.

HON. SPESSARD L. HOLLAND,  
U.S. Senator,  
Senate Office Building,  
Washington, D.C.

DEAR SENATOR HOLLAND: In response to your phone call this morning we have prepared the enclosed reports for your use.

1. Report on the current use of domestic labor in sugarcane cutting.

2. Report of losses caused by lack of labor to harvest sugarcane.

3. History of requests and reasons why newer sugar organizations require additional manpower.

We trust that the enclosed will give you adequate information. We will keep you posted by phone of any recent developments.

In behalf of all of the sugarcane industry, I want to express our sincere appreciation for the keen interest and help you are giving us in this problem.

Sincerely yours,

SUGARCANE GROWERS COOPERATIVE OF FLORIDA,  
GEORGE H. WEDGWORTH,  
President.

REPORT ON CURRENT USE OF DOMESTIC LABOR  
IN SUGARCANE CUTTING BY SUGARCANE GROWERS COOPERATIVE OF FLORIDA

Alabama group.....	28
Louisiana group.....	46
Total.....	74

#### LOUISIANA GROUP

The following is a resume of events relative to 46 workers sent to Sugarcane Growers Cooperative of Florida from Baton Rouge, La.

Eleven men arrived by bus in Belle Glade at 4:00 p.m., on February 3. One worker immediately attempted to purchase a bus ticket to Miami, Fla. He was refused sale of the ticket by the agent in charge. Local police were summoned in order to remove the worker peaceably from the bus station.

Thirty-five more workers arrived on February 4, at 12:30 a.m. All 46 workers were taken to the doctor's office for physical examinations at 9:00 a.m., February 4.

We learned late the afternoon of February 5, the workers from Louisiana had left

the field and refused to work. After contacting Mr. Dave Cano, from New York and a member of Secretary Wirtz' crash team, Mr. Lee and Mr. McIntyre along with Mr. Cano visited the labor quarters. Here we talked with a spokesman for the group who stated that the men did not understand the basis on which the piecework values were determined and how they contrasted to the \$1.15 rate. They also told us that piecework was not mentioned to them when they were recruited in Louisiana. One worker stated that he was getting \$40 per week unemployment from Louisiana and had made a horrible mistake to come to Florida to work for \$1.15 per hour.

They wanted to know how they would get back home and who would pay their way if they quit now. After approximately 30 minutes of persuading by Mr. Cano, Mr. Lee, and Mr. McIntyre, the men said they would consider it and possibly return to the fields in the morning.

Every effort was made to clarify the basis of pay and encourage the men to work. We explained that they were guaranteed \$1.15 per hour for every hour they worked in the field and that this amount would be guaranteed to them for a week's time in order for them to become accustomed to the work. We further explained that the piecework was designed so that they could earn more than the guaranteed minimum wage. They told us they didn't mind working, but they would not run like the West Indians. We explained to Mr. Cano that since the men had arrived, unrest was apparent and that we felt every effort had been made to encourage them to work. We further advised him that if they refused again, we could no longer use them. Mr. Cano agreed that we had been fair in the treatment with the men and that we should separate them in the event they again refused to work.

At approximately 8:30 a.m. on February 6, we were advised that nine workers remaining in camp No. 3, refusing to work, were going about the camp informing the other workers how poorly they were being treated and causing general disorder.

We contacted Mr. Dave Cano and informed him that we were planning to move them out of the camp and transport them to the Florida State Employment Service in Belle Glade. He agreed that this was the thing to do and he would attempt to find them other employment.

On February 9, two more workers appeared from Baton Rouge. One of these workers ate supper, spent the night in the camp, had breakfast, and disappeared.

The following cost figures relate to these and are through Friday, February 12, 1965:

<b>Advances:</b>	
Food.....	\$200.15
Clothing.....	36.64
Transportation.....	1,114.15
Physical examinations.....	230.00
<b>Total advanced.....</b>	<b>1,585.94</b>
Collected from workers.....	343.97
<b>Amount of advance still due.....</b>	<b>1,241.97</b>
1,021 hours worked at guaranteed rate of \$1.15 per hour.....	1,174.15
Value of cane cut during 1,021 hours.....	321.31
<b>Guaranteed wages paid in excess of value of cane cut.....</b>	<b>852.84</b>

#### FORTY-SIX LOUISIANA WORKERS, BEGINNING FEBRUARY 3, 1965

February 3, 1965: Received 11 men at 4 p.m.

February 4, 1965: Received 35 men at 12:30 a.m. All workers were taken to doctor's office and given physical examinations.

February 5, 1965:

Went to work.....	44
Sick <sup>1</sup> .....	1
Toothache.....	1
<b>Total.....</b>	<b>46</b>

<sup>1</sup>This worker arrived sick. The company authorized the doctor to X-ray him and provide the necessary medication. The cost for this is estimated to be between \$10.00 and \$15.00, which is being billed to the cooperative.

February 6, 1965:

Went out to work.....	33
Refused to work.....	9
Off due to accident.....	1
Sick.....	1
Missing.....	2
<b>Total.....</b>	<b>46</b>

February 7, 1965: Sunday, no work, rest day.

February 8, 1965:

Went to work.....	34
Off due to accident.....	1
<b>Total.....</b>	<b>35</b>

February 9, 1965:

Went to work.....	7
Off due to accident.....	2
Missing.....	26
New men arrived from Baton Rouge.....	2
<b>Total.....</b>	<b>37</b>

February 10, 1965:

Went to work.....	8
Off due to accident.....	2
Missing.....	1
<b>Total.....</b>	<b>11</b>

February 11, 1965:

Went to work.....	8
Off due to accident.....	2
<b>Total.....</b>	<b>10</b>

February 12, 1965:

Went to work.....	8
Off due to accident.....	2
<b>Total.....</b>	<b>10</b>

February 13, 1965:

Went to work.....	8
Off due to accident.....	2
<b>Total.....</b>	<b>10</b>

#### ALABAMA GROUP

February 4, 1965: 8 a.m., all workers were fed. 8:30 a.m., workers were transferred to doctor's office for physical examinations. At the doctor's office, the following workers were declared ineligible according to the following: seven were 17 years old, 2 were man and wife who did not want to work in sugarcane, 1 worker was 60 years old, 2 did not remain when the 17-year-old could not be hired, 2 refused to work in sugarcane.

None of these workers appeared to have any money on their person. They were all requesting immediate advances and/or cigarettes.

February 5, 1965: Thirteen men went to the field. One missing.

8 worked 1 hour each, total earnings.....	\$9.20
2 worked 2 hours each, total earnings.....	4.60
3 worked 5 hours each, total earnings.....	18.55

**Total hours, 27; total guaranteed earnings..... 32.35**

All workers missing by night, February 5.

Physical examinations.....	\$70.00
Food.....	43.45
<b>Total advance.....</b>	<b>113.45</b>
Cost for hourly wages.....	32.35
<b>Total.....</b>	<b>145.80</b>
Value of cane cut.....	4.08
<b>Cost to cooperative.....</b>	<b>141.72</b>

NOTE.—There were no transportation charges on these workers. They were brought to the area by a crew leader and referred to the cooperative by the local State employment office.

#### REPORT OF LOSSES: CAUSED BY LACK OF LABOR TO HARVEST SUGARCANE

##### GENERAL

On January 17, 1965, the sugarcane fields of Florida suffered one of the most critical freezes in history. Temperatures dropped to a low of 18 degrees in some areas. Almost all areas suffered below freezing temperatures for several hours. Over 95 percent of the terminal buds were killed. Over 50 percent of the sugarcane had varying degrees of dead lateral eyes and/or frozen cane.

Weather following freeze has not been ideal for cane to hold quality. We have had 1 day of heavy rain followed by extremely high temperatures, for this time of year. Quality of sugarcane at all mills has shown marked reduction in quality. All mills report that in addition to losing sugar by deterioration of cane they all expect to lose whole fields of sugarcane because it will be unmillable by the time they are able to harvest. They all report that if they had adequate labor almost all of their cane could have been saved.

Following is a report on the estimated losses directly due to lack of labor to harvest sufficient sugarcane to run their mills to capacity.

These estimates are conservative and if additional unfavorable weather occurs the following losses will be much greater.

#### ATLANTIC SUGAR ASSOCIATION

Mr. Sam N. Knight, president, was contacted and he stated that they have been short 110 workers. Because of the shortage of labor to harvest cane their grinding rate has been reduced by 500 tons per day. He further stated that their loss will amount to 40,000 tons of cane or approximately \$340,000 due to loss in sugar and/or loss of sugarcane.

#### GLADES COUNTY SUGAR GROWERS COOPERATIVE ASSOCIATION

Mr. Louis DeArmas, general manager, stated that they are short 75 cane cutters. They have run their mill at less than capacity due to lack of cutters. They estimate their loss directly due to labor shortage to be approximately 50,000 tons of sugarcane or \$425,000.

#### SOUTH FLORIDA SUGAR CO., INC.

Mr. Miguel A. Ballester, Jr., general manager, stated that he was short 35 cane cutters but was reluctant to estimate losses.

#### FELLSMERE

Mr. Leroy Medlin, personnel manager, stated that their mill had actually stopped for a total of 66 hours and had to grind at other times at less than capacity due to lack of sufficient labor to harvest sugarcane. They estimate that they will lose the equivalent of approximately 33,900 tons of sugarcane, valued at \$444,000.

#### SUGAR CANE GROWERS COOPERATIVE OF FLORIDA

We have operated our mill at more than 600 tons per day less than capacity due



totally to the lack of sufficient labor to harvest the crop. We estimate our loss at the present time for the crop to amount to approximately 64,000 tons or \$545,700.

#### Summary of losses

Atlantic.....	\$340,000
Glades County.....	425,000
South Florida.....	?
Fellsmere.....	444,000
Sugar Cane Growers.....	545,000
Total.....	1,754,000

It should be pointed out that our request for additional labor is not made on the basis of this freeze alone. It is made on the basis of sufficient labor to run mills to capacity based on past experience. Each year in addition to freezes we are subject to heavy rains and high temperatures at the end of the crop if closing is delayed because of lack of labor.

#### HISTORY OF REQUESTS AND REASONS WHY NEWER SUGAR ORGANIZATIONS REQUIRE ADDITIONAL MANPOWER TO HARVEST SUGARCANE

##### HISTORY OF REQUESTS

During 1963 informal requests were made in person to the Atlanta office of the Bureau of Employment Security to revise formulas used to determine certification.

Formal requests were commenced in September of 1964. Since that time there have been more than eight written requests by the State agency all denied or answered by requests for additional information. There have been three surveys made by the State agency on the request of the Atlanta office of the Bureau of Employment Security in addition to three conferences, at which time additional requests were made to revise formulas and additional information given.

The State agency has recommended our requests and has documented and substantiated them in a very precise and accurate manner. The Bureau's denials and requests for additional information have become ridiculous and harassing.

It was not until Mr. Cass and Mr. Maubury visited us on February 4, 1965, that we were able to have a representative of the Department of Labor visit our operation to determine the actual facts related to our request.

#### REASON FOR ADDITIONAL LABOR REQUIREMENTS

Generally speaking the older sugar mills in Florida developed their labor requirements based on large plantations having regularly sized and shaped fields. The land which they produced their cane on was close to Lake Okechobee and is noted for its higher yields of heavier cane.

The newer sugar organizations from past experience have not been able to supply their mill with cane with the number of workers certified by use of the old formula. This is caused by the following factors:

1. The density of the sugarcane grown on the land farther away from the lake is less. Thus a cutter on outside land handling equal volume of cane to a cutter on the close-in land produces less weight.

2. Our fields are scattered all over western Palm Beach County. They are of varying shapes and sizes. The row lengths vary. Because of this, the worker is slower to accustom himself to the basis of pay of the task. In some cases this results in less production.

3. Our yields of sugarcane per acre generally run less than the older companies. As yield per acre is reduced the production per worker is reduced.

4. We have 53 different growers. The cultural practices of these growers vary. Difference in field layout, cultivation, and drainage produces different conditions which sometimes adversely affect cutters' produc-

tivity, such as excessive weeds due to poor cultivation.

We feel that the above physical and psychological reasons are sufficient to convince the Department of Labor that the basis for certification should be based on our experience rather than an old formula that suited the needs of companies having altogether different conditions.

The use of domestic workers has proven to be completely unsatisfactory. Many years of positive recruitment by United States Sugar Corp. and our 3 years experience has proven totally unsuccessful to get even one domestic worker to continue to harvest sugarcane. The Bureau of Employment has recognized this fact. Enclosed is a summary of our most recent experience with the use of domestics. The so-called crash recruitment teams from the Department of Labor have not supplied us with one canecutter to date even though we have had a request since November of 1964.

Since domestic workers will not harvest sugarcane even though we have jobs available at all times, it cannot be said that imported labor replaces a domestic worker's job.

It should be further pointed out that we do not desire to have any more canecutters than are necessary to run our mills to capacity. It would be unsound for us to have the additional expenses of housing and caring for additional workers not required to run these mills to capacity.

Minimum wage is set by the Secretary of Agriculture at \$1.15 which is over 20 percent higher than the minimum wage in 1962-63 crop. Average earnings of workers are over \$1.35 per hour because of the piecework basis that is used to compensate workers. Workers also receive free housing, three hot meals per day at cost, and workmen's compensation insurance. These wages and working conditions are higher than any other agricultural wage in the area.

#### FLORIDA FRUIT & VEGETABLE ASSOCIATION, February 12, 1965.

Mr. J. D. WRIGHT, Jr.,  
Chairman, Florida Industrial Commission,  
Tallahassee, Fla.

DEAR DAN: This will acknowledge your letter of February 9 in which you advise that the Bureau of Employment Security plans to require a reduction on March 1 of the numbers of supplemental foreign workers assigned to the citrus industry, a reduction from 3,500 to 2,000. I further note your comment that "there is no guarantee that foreign labor will be available for citrus harvest after April 15, 1965."

A reduction in foreign labor available to the citrus industry during the remainder of the season is utterly unthinkable, and I am surprised that the Bureau of Employment Security and the Secretary of Labor have not already voluntarily acted to correct errors in their own judgment which already have led to the loss of an estimated \$6 million in the early and midseason citrus crop due to the lack of manpower.

I have just consulted the Statistical Reporting Service of the U.S. Department of Agriculture to obtain their latest information concerning the citrus crop outlook for the remainder of the current season. I set forth below their figures as to the estimated orange and grapefruit crops to be harvested as compared to the amounts actually harvested during the comparable period a year ago. The following figures apply to February 7, 1965, and are compared to crops harvested from February 7, 1964, to the end of the season.

All oranges: 1965 estimated remaining harvest, 40,895,000 boxes; 1964 actual after February 7, 1964, 30,374,000 boxes.

All grapefruit: 1965 estimated remaining harvest, 13,730,000 boxes; 1964 actual after February 7, 1964, 9,080,100 boxes.

It is apparent that we have almost exactly 33½ percent more oranges to harvest and more than a 50-percent increase in the amount of grapefruit to be harvested between now and the end of the season than we did a year ago.

Additionally, I wish to point out that the Florida citrus industry has grown tremendously in recent years and we have literally tens of thousands of acres of young groves which require very close attention during the spring months as well as over 400,000 acres of older groves which also will require great amounts of labor in cultivation work during this period.

Last year, I am certain that the Florida Industrial Commission's statistics will agree that we had to have some 10,000 workers in grove care operations during this period. It was necessary then to divert labor from picking operations at considerable sacrifice. We will certainly require no fewer workers in grove care operations during the next several months than we did a year ago. As you know, the Bureau of Employment Security has refused to allow us to utilize foreign workers in this type of activity, and we therefore have no alternative but to divert domestic workers from picking operations to grove care work. Many groves damaged by freezing temperatures 3 years ago have not yet been given the attention that they deserve simply because labor could not be spared during the period of harvest and during the summer months most of these workers leave Florida to fulfill commitments up the eastern seaboard.

We have thoroughly reviewed the contents of your letter with officials of the Florida Citrus Mutual and with many individuals in the citrus industry and they fully share our opinion that the losses suffered by the Florida citrus industry due to the lack of labor during the last 60 days will be relatively small compared to the losses that are in prospect unless this industry is allowed to have at least as many foreign workers as were authorized on January 1. There are many in the industry who believe that the rapid rate with which the Valencia crop is maturing may even make it necessary for us to subsequently seek even more than 3,500 workers unless the usual rate of workers recruited from other Southeastern States can be delayed this year by several weeks. I doubt that this is possible as these workers have their own ideas about when they wish to return home.

We earnestly solicit your assistance in obtaining authorization for the citrus industry to retain 3,500 foreign workers as long as the domestic labor supply is inadequate. This, of course, refers to the period through April 15, but I will use this opportunity to again underscore the fact that we will very definitely remain dependent upon supplemental foreign workers after that date if we are to avoid the scandalous type of crop losses that have occurred during the last 60 to 90 days. Your personal efforts to help us obtain necessary labor in the past are deeply appreciated and we can only hope that your appeals on our behalf this time will be given more attention by responsible Federal officials.

Best regards.

Sincerely,

W. H. ANDERSON, Jr.  
Assistant General Manager.

#### STATUS REPORT ON FLORIDA TROPICAL FRUIT INDUSTRY, FEBRUARY 12, 1965

The Florida tropical fruit industry a few years ago customarily found it necessary to employ several hundred supplemental foreign

workers to harvest limes, avocados and mangoes. In recent years, the Department of Labor has become increasingly restrictive in permitting the use of supplemental foreign workers in this activity although the number of domestic workers willing and able to perform this work is inadequate. During the last 2 or 3 years this industry has only been allowed to use approximately 150 foreign workers at the height of the season. During the current season, growers in this industry were limited to a total of 100 and they were directed to release all of these workers by December 31, 1964, even though the crop was not harvested. Repeated appeals to increase the number of workers available so as to enable completion of harvest by December 31 were denied, until Secretary Wirtz personally authorized the extension of stay for 60 of the workers assigned to this industry through the period of harvest. However, when this authorization was translated into operational terms, growers were informed that the extension of stay was limited to January 31. Accordingly, no foreign workers remain in this industry at this time and growers are short-handed with respect to workers for grove caretaking operations even though harvest operations are limited.

According to Secretary Wirtz' new regulations, these growers have already utilized 30 days of the 120-day maximum period that they will be allowed to use supplemental foreign workers during the calendar year 1965—even though these 30 days were involved in the harvesting of last year's crop. The industry customarily requires a very substantial picking force from June through February, although harvest operations are carried on almost continuously throughout the year in one crop or another. Under Secretary Wirtz's current regulations, if these growers are allowed to have additional supplemental foreign workers beginning in June, they will be forced to surrender all of them at the end of August and will have no labor force in prospect for the 4 remaining months of active harvest operations of 1965.

This industry has suffered repeated setbacks from hurricanes and freezes but it is trying to grow and expand. The 1964 avocado and lime crops were the largest on record—yet the Department of Labor allowed them even less labor than was admittedly required for this industry in prior years.

These growers—who are relatively few in number—have maintained standing orders with the Employment Service for domestic workers. They offer good wages and housing. The simple fact is that domestic workers prefer to work in easier tasks in other crops during the fall, winter and spring months and they migrate to jobs along the eastern seaboard States during the summer under a program sponsored and operated by the Department of Labor.

It is apparent that these growers must obtain relief in the form of adequate labor supplies, even if this means that supplemental foreign workers must be authorized. It is also apparent that the 120-day limitation is entirely unrealistic and does not take into account the nearly year-round nature of operations in this industry.

Freezing temperatures in January averted labor shortages that threatened to become acute in most active vegetable areas. However, very little damage took place in the staked and vine-ripened tomato industry and the strawberry industry along the lower east coast and these two crops require vast amounts of hand labor. The peak of vegetable operations is yet in front of us due to retarded growing conditions and replanting that followed the January freeze. A critical situation is in prospect if additional labor is not available to the tomato and strawberry industries within the next few weeks. An even more acute threat faces the entire vegetable industry at the end of April when lower east coast and Lake Okeechobee farm-

ing operations will be at their highest point and the 120-day limitation upon the use of supplemental foreign workers will expire under the present policies of the Secretary of Labor.

The Florida celery industry has nearly 5,000 acres of celery to be harvested and approximately one-third of this will have to be harvested after the 120-day time restriction on foreign workers expires and this crop has historically depended upon foreign workers to cut celery by hand.

A total of 49,470 acres of tomatoes have been planted in Florida this season and less than half of this has been harvested. The fruit has set on only 4,510 acres of the acreage remaining to be harvested which means that a very substantial portion will have to be harvested after the expiration of the 120-day limitation. It should be noted that Florida's tomato acreage this season is 7,000 acres larger than a year ago. It should also be noted that our tomato industry has had to face strongly increased competition from Mexico which has put nearly 20 percent more carloads of tomatoes on the U.S. market since December 12 than it did a year ago during this same period.

Florida's growing reputation as an excellent producer of sweet corn and resultant market expansion encouraged the sweet corn industry to plant a total of 30,865 acres this season as compared to 21,660 acres through February 6 a year ago. While 3,500 acres of sweet corn were killed by the freeze of January 17-18, most of this acreage has already been replanted and it is anticipated that an additional 18,905 acres of sweet corn will be planted during the balance of the season. This will give Florida 30 percent more sweet corn acreage than during the 1963-64 season and as of February 11, 1965, the Florida Sweet Corn Advisory Committee estimated that 5,300,000 crates remain to be marketed during the remainder of the season. This crop cannot be successfully harvested without the use of supplemental foreign labor as not enough domestic workers are willing or able to withstand the high temperatures and muck soil environment which is characteristic in the Everglades area where this crop is concentrated. Obviously, the 120-day limitation on the use of supplemental foreign workers will jeopardize much of this crop.

A total of 3,500 acres of strawberries will be harvested in Florida this season—if adequate labor is available. This is 700 acres more than were planted last year. A total of 1,930 acres of strawberries are located in the lower east coast area and strawberry growers in this area have historically depended heavily upon supplemental foreign workers. Resistance by the Bureau of Employment Security to authorize an adequate number of foreign workers for this industry has caused substantial losses in past years and delays in authorizing a limited number of workers thus far this season were responsible for growers being unable to lay polyethylene weed control covers over the plants until after blooms appeared. This necessary abuse of the blooming plants—necessary to avoid the need for even more labor to control weeds—resulted in the loss of the first two pickings this season. This crop requires labor that remains on the job and becomes experienced in picking only those berries that are prime and ready for market. Plants must also be protected. Attempts by growers to use day-haul crews have been very costly as these workers report for work only on those days when work is not available in their local areas. They therefore do not gain experience nor do they feel any sense of responsibility toward the grower to pick prime berries and protect the plants. Local workers, on the other hand, very willingly work in the strawberry industry because of the excellent earnings opportunities. There simply are not enough of these workers to do the job. The strawberry industry will

have to have additional labor within the next few weeks to avoid crop losses. It will also have to have supplemental foreign labor after expiration of the 120-day limitation on foreign workers to avoid substantial crop losses during the remainder of the season.

On January 25, 1965, the Secretary of Labor refused to certify 500 additional supplemental foreign workers to meet labor shortages in the Florida citrus industry in spite of evidence that severe crop losses were taking place. This request had been made several weeks earlier and had been rejected. On January 25, the Secretary of Labor, in finally rejecting this request, announced that he would launch a crash recruitment program and send 500 domestic workers to Florida at the rate of 100 a day. The following are the results of this crash recruitment program together with the normal interstate recruitment which has been underway throughout the season. To enable a comparison of the results of the Secretary of Labor's crash recruitment program with the normal program, the following daily reports of placements cover a period of 30 days, including a 2-week period prior to the initiation of the crash recruitment program.

Date	Farm job openings	Local placements	Inter-state arrivals	Openings unfilled
Week of Jan. 11-15:				
Jan. 11.....	2,706	12	20	2,674
Jan. 12.....	2,681	0	16	2,665
Jan. 13.....	2,680	8	85	2,567
Jan. 14.....	2,688	9	69	2,610
Jan. 15.....	2,651	19	45	2,587
Total.....		48	235	
Week of Jan. 18-22:				
Jan. 18.....	3,173	44	68	3,061
Jan. 19.....	3,252	20	5	3,227
Jan. 20.....	3,358	64	84	3,210
Jan. 21.....	3,250	14	25	3,211
Jan. 22.....	3,040	31	134	2,875
Total.....		173	316	
Week of Jan. 25-29:				
Jan. 25.....	2,943	18	86	2,839
Jan. 26.....	2,839	5	38	2,796
Jan. 27.....	2,704	27	166	2,511
Jan. 28.....	2,505	44	61	2,400
Jan. 29.....	2,175	63	60	2,052
Total.....		139	325	
Week of Feb. 1-5:				
Feb. 1.....	1,856	44	58	1,754
Feb. 2.....	1,636	18	111	1,507
Feb. 3.....	1,091	21	0	1,070
Feb. 4.....	746	7	167	572
Feb. 5.....	651	8	35	608
Total.....		98	371	
Week of Feb. 8-11:				
Feb. 8.....	630	42	141	447
Feb. 9.....	474	8	34	432
Feb. 10.....	385	10	65	310
Feb. 11.....	360	19	17	324
Total.....		79	257	

<sup>1</sup> Secretary Wirtz' crash recruitment program initiated Jan. 26.

(NOTE.—Approximately 60 percent of the workers received from interstate sources under the crash recruitment program had disappeared by Feb. 11. As indicated above, local and interstate placements have made no dent in the daily demands for labor that were being received by the Employment Service from citrus employers. Thus, unfilled openings for as many as 3,200 fruitpickers explain the loss of an estimated \$6,000,000 of citrus crops due to the lack of labor. The situation reflected above was equally acute during the latter part of November and throughout the month of December. Decline in job openings reflects approaching end of midseason crop.)

Source of the above statistics: Florida State Employment Service.

FLORIDA STATE CHAMBER OF COMMERCE,  
Jacksonville, Fla., February 4, 1965.  
Hon. W. WILLARD WIRTZ,  
Secretary of Labor,  
Washington, D.C.

MY DEAR MR. SECRETARY: The lack of sufficient harvest hands to meet the needs of Florida's citrus, sugarcane, and vegetable in-



dustries has received widespread attention by radio stations and newspapers throughout the State. This matter is of great concern to the Florida State Chamber of Commerce. We are assured that the Chamber of Commerce of the United States also shares our fear that the arbitrary restriction of the number of laborers available to the agricultural industry threatens a wide portion of the overall business community as well as agriculture-oriented industries.

Even now, relief would be too late to overcome losses thus far experienced in Florida. However, relief must be obtained by one means or another. The impact upon Florida's economy foreseen for this season will be very small indeed in comparison with the future that will confront this State unless favorable consideration is given the request to utilize necessary supplemental foreign labor without undue delay when loss threatens.

The Florida State Chamber of Commerce shares the Secretary's belief that qualified Americans should be given the opportunity of employment before foreign workers are allowed to work. We are assured that Americans have not only been given full opportunity to accept farm jobs in Florida but that intensive efforts have been made to recruit them. It is evident that the vast majority of the potential American labor supply is increasingly rejecting opportunities in farm employment even though Federal efforts have been extended to include experimental control of wages and other terms of farm employment.

No good purpose is to be served by denying agriculture or any other industry access to supplemental foreign workers when they are so obviously needed to protect longstanding private investments and the State and National economy.

The Florida State Chamber of Commerce voices the urgency of this situation, which continues to deteriorate.

Sincerely yours,

HAROLD COLEE,  
Executive Vice President.

MINUTE MAID CO.,  
Orlando, Fla., February 15, 1965.

Mr. J. E. LOTT,  
Orlando, Fla.

DEAR MR. LOTT: We appreciate your letter of January 23 suggesting an approach to partially solving our critical labor problem in agriculture. I am sure that you will be interested to know that various efforts have been made to do just this, including members of our Armed Forces in off-duty periods. Our farm placement office, which is a part of the State employment service located in Winter Park, carries on a constant program of recruiting and placing of any person who is available for citrus picking.

We are very disappointed that no increase in available local workers has developed in recent weeks, in spite of the large amount of publicity given the problem in the local newspapers. There certainly are enough unemployed people to do the job, but few of these people have shown both the ability and the willingness to exert the necessary effort to do harvesting work. Piecework rates for citrus harvesting would allow an average man to earn at least \$1.50 per hour if he is willing to develop very simple skills, which can be done in a few hours.

Most of the citrus harvest requires the use of ladders from 15 to 24 feet long. The work requires a fairly able-bodied person in good physical condition. A person unaccustomed to physical exertion will tire very quickly, and as you can realize, will become sore and stiff from any physical exertion that is different from his usual activity. These are some of the reasons we find are problems in getting part-time harvesters.

You may also be interested to know that another part of the problem is the fact that

our regular domestic labor, on the average, shows up for work only 3½ to 4 days per week. Adding another day or day and a half to their workweek would go a long way toward solving the problem. We assume that earnings are sufficient to allow them to earn their requirements in less than a week and they are not interested in full employment.

There are a great many more details, including welfare payments, motivation, politics, economics, and many others that are all a part of the overall problem. There seems to be a great feeling in this country that honest physical labor is degrading, and no one should be required to exert physical effort in order to earn a living. I might add that this country was not developed by people with this attitude and may have difficulty remaining a strong, healthy country if this trend continues.

Again, thank you for your interest in our problem, and you can be assured that any person willing and able to contribute his efforts will be welcomed by most citrus harvesting firms.

Sincerely,

B. H. OEHLERT, Jr.

ESTATE OF E. P. PORCHER,  
Cocoa, Fla., February 16, 1965.

Mr. WILLARD WIRTZ,  
Secretary of Labor,  
Washington, D.C.

DEAR MR. WIRTZ: We have been in the citrus business since 1883 in Brevard County, Fla. Edward Postell Porcher, our grandfather, was one of the pioneers in the citrus industry on Merritt Island, Fla.

We are totally dependent on available labor to harvest our citrus crops and in the past have used local labor. But for the past 10 years the local labor was not available in this area. Therefore, we have been dependent on offshore labor to harvest our crops.

We have tried to secure labor from other States but they have proved unable and unwilling to do the job. In dealing with welfare work over the past years, we have found in most cases the unemployed and indigent persons in our area do not want nor care to work but rather depend on welfare and actually refuse to hold a steady job. This applies to all types of work in this area.

We are sure that your recent experience of trying to furnish the necessary labor from other States has not proved satisfactory to the growers nor to the laborers. If you do not permit the certification of offshore labor into June of this year we stand to lose thousands of dollars on unharvested Valencia oranges and grapefruit. This not only applies to us but all growers in the State of Florida. This condition, if allowed to exist and the fruit is unharvested will create a financial hardship on the growers as well as reducing tax income to the Federal Government by millions of dollars.

We realize that you have the good of domestic labor at heart and we feel that every grower in the State has too. But, now past events have proven that to depend on this type of labor would jeopardize the agricultural industry of Florida.

We therefore pray that you and President Johnson will see the situation as it exists and thereby remedy it for the benefit of all; as President Johnson has so ably done for our industry in the past.

Thanking you, I remain,

Sincerely,

ADRIENNE R. EARNHARD,  
Trustee of the Estate of E. P. Porcher.

[From the Orlando (Fla.) Evening Star,  
Feb. 4, 1965]

UNITED STATES BLAMED IN CROP LOSS  
MIAMI, Fla.—Millions of dollars worth of citrus, vegetables, and sugarcane are turning to garbage under the Florida sun, and farm

leaders say the cause is a labor shortage created by the Federal Government.

For 20 years, Florida's crops were harvested largely by labor imported from the British West Indies and the Bahamas. But this source was cut off last year when Congress refused to extend the act governing use of migrant farmworkers from abroad.

The supply of Mexican laborers to California, where they long had been used to harvest fruit and vegetable crops, also was cut off. The California Department of Labor has launched a crash program to recruit domestic workers, but a department official said Wednesday "we're not getting them fast enough." Lemon and date growers say they stand to lose millions of dollars because of the labor shortage.

In an attempt to attract American farmworkers, Secretary of Labor W. Willard Wirtz set minimum wage scales ranging from \$1.15 to \$1.40 an hour.

The \$1.15 minimum set for Florida was 20 cents higher than the scale paid to foreign workers, but agricultural spokesmen says the plan isn't working because:

1. Industrious workers can earn more than \$1.15 an hour under a longstanding piece rate system.

2. Domestic workers prefer less menial jobs and can get them for the same pay.

Florida's commissioner of agriculture, Doyle Conner, said Labor Department officials have not acquainted themselves with Florida's problem.

He said domestic workers offered free transportation to Florida by the Government get off the bus, look at the grove, and head for Miami.

Herman F. Steele, assistant general manager of Florida Citrus Mutual, a grower organization, says "the inability of citrus growers to move fruit from their groves while in marketable condition is causing a loss estimated at \$4 to \$6 million based on on-tree values."

George H. Wedgeworth, president of the Florida Sugar Growers Cooperative, said sugar mills are running below capacity because the labor shortage stalled the harvest. He said the cane is rapidly deteriorating.

Wedgeworth says domestic workers also refuse to do "stoop" labor in the vegetable fields.

One of Florida's biggest agricultural organizations, Chase & Co., lost 45 acres of celery valued at \$1,000 an acre, Wedgeworth said.

[From the Orlando Sentinel, Feb. 6, 1965]

FRUITGROWERS ACCUSED OF LAGGING ON LABOR—  
ALIEN WORKER EXTENSION PLEA REJECTED

(By Dave Howell)

A Labor Department official yesterday accused Florida citrus growers of dragging their feet in efforts to utilize domestic labor, and indicated that the 3,500 offshore workers in the groves now probably would not be allowed to remain beyond April 15 or May 1.

"We are not accepting the need for an extension," Robert C. Goodwin, the Department's Administrator of the Bureau of Employment Security, told a small group of influential growers here yesterday.

Goodwin told them he was "aware of the problems this creates; and I know that doing this is not easy and it may not be possible."

"But certainly as far as we are concerned, I don't think we can accept the conclusion that it is not possible."

Goodwin said his remarks yesterday did not indicate a final decision by the Department, and that the Department's policy might be reevaluated as the Valencia harvest draws nearer.

He made his statements after several growers yesterday protested that hundreds of thousands of boxes of Valencias will be lost if offshore laborers are not permitted to remain until the end of the harvest season.

Charlie Bradshaw, president of Hi-Acres in Clermont, said, "If they pull these offshore workers in the middle of April or first of May, it will be impossible for us to harvest this crop of Valencia. We couldn't do it."

Another citrus spokesman, Ben Adams, executive director of West Coast Growers, member of Pasco Citrus Co-op, claimed it would cost them 900,000 boxes.

[From the Orlando Sentinel, Feb. 6, 1965]  
STATE CHAMBER OF COMMERCE ASKS WIRTZ TO  
RESCIND LABOR BAN

JACKSONVILLE.—The State chamber of commerce urged U.S. Secretary of Labor W. Willard Wirtz yesterday to rescind a ban on the use of foreign farm laborers, which it said "threatens a wide portion of the overall business community."

Copies of the letter to Wirtz went to Senators GEORGE SMATHERS and SPESSARD HOLLAND, with a request they take the matter up with President Johnson.

Others who called for extension included Bill Cook, Haines City; Dick Tombrink, superintendent of procurement, Pasco; Clark Ghiselin, executive director, Citrus Industrial Council; Ralph Moss, chief of farm labor, Florida Industrial Commission; Bay Prevatt, Lake Region Packing Co., Tavares, and Frasure Hull, Winter Garden.

"If they think they have a problem in citrus," declared Hull, who also has considerable peach acreage, "what do they think peaches are going to do?"

He said there are some 5,000 acres of peaches in Florida, requiring approximately one man to the acre to pick. "And you can't let them hang on the tree another day or two like you can citrus."

Hull said he had tried unsuccessfully to get 100 pickers through the interstate labor program, and had planned to ask for another 100 later, "but I never did get the first bunch."

Acting as chairman and go-between yesterday was Dan Wright, chairman of the Florida Industrial Commission.

The meeting was not publicly announced, and only a handful of the State's leading citrus figures were invited.

"We think that, generally speaking, we have become too dependent on foreign workers," Goodwin said yesterday. "We have about 200,000 farmworkers who leave agriculture every year because they can't get employment."

"They go into something that pays a little better, which is part of the problem. Agriculture has to become a little more competitive."

Goodwin said the current program of utilizing interstate domestic labor "has done a good job and produced a good many workers."

He agreed, however, to take into consideration several recommendations made by growers yesterday to overcome weaknesses in the program.

[From the Orlando (Fla.) Sentinel, Jan. 19, 1965]

WIRTZ MAY EASE LABOR RULE—FLORIDIANS  
BATTLE HARD FOR WORKERS  
(By Roulhac Hamilton)

WASHINGTON.—Florida citrus grower spokesmen, battling Monday to assure adequate labor supplies, wound up the day with hopes that Labor Secretary Willard W. Wirtz might soften his adamant stand against importation of offshore workers.

While confirmation of this was lacking, there were reports from reliable sources that the White House already had been persuaded by Florida congressional sources to put the pressure on Wirtz to relax his position—and that Wirtz was yielding.

In any event, a four-man Sunshine State delegation headed by Agriculture Commis-

sioner Doyle Connor worked through the day on the campaign to guarantee the availability of migrant labor, despite Wirtz' determination to cut off the supply.

In addition to Connor, the citrus spokesmen included Robert Bishop, Orlando grower; Robert Rutledge, also of Orlando, executive officer of the Florida Citrus Mutual, and Clark Gibson of Lakeland, secretary of the Citrus Industrial Council.

During the day, members of the group, in concert or individually, held meetings with Senators SPESSARD HOLLAND and GEORGE SMATHERS and Representatives EDWARD J. GURNEY and A. S. HERLONG, Jr., as well as with Labor Department officials.

The significant factor concerning these meetings appeared to be that they were greeted with much more warmth, much more friendliness, than had been the case last week, on the eve of Wirtz' appearance before the Senate Agriculture Committee to detail his plans for curbing the importation of offshore labor.

There was a report—which was not subject to confirmation—that this new-found friendliness followed a discussion of the problem with the White House by Senator SMATHERS, followed by a call from the White House to Wirtz.

But whatever the reason, the Florida citrus spokesmen appeared to be confident that there would be some sort of an announcement by this weekend which would indicate that Wirtz had softened his approach to Florida's farm labor problem.

[From the Star Advocate, Feb. 4, 1964]  
GROWERS BLAME LABOR DEPARTMENT FOR  
TROUBLES

MIAMI.—Millions of dollars' worth of citrus, vegetables, and sugarcane are turning to garbage under the Florida sun, and farm leaders say the cause is a labor shortage created by the Federal Government.

For 20 years, Florida's crops were harvested largely by labor imported from the British West Indies and the Bahamas. But this source was cut off last year when Congress refused to extend the act governing use of migrant farmworkers from abroad.

The supply of Mexican laborers to California, where they long had been used to harvest fruit and vegetable crops, also was cut off. The California Department of Labor has launched a crash program to recruit domestic workers, but a department official said Wednesday, "We're not getting them fast enough." Lemon and date growers say they stand to lose millions of dollars because of the labor shortage.

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The \$1.15 minimum set for Florida was 20 cents higher than the scale paid to foreign workers, but agricultural spokesmen say the plan isn't working, because:

1. Industrious workers can earn more than \$1.15 an hour under a longstanding piece rate system.

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Herman F. Steele, assistant general manager of Florida Citrus Mutual, a grower organization, says the inability of citrus growers to move fruit from their groves while in marketable condition is causing a loss estimated at \$4 to \$6 million based on on-tree values.

CITRUSMEN LOSE ON LABORERS—WIRTZ' CORPS  
WORTHLESS

(By Fred Shilling)

LAKELAND.—Florida citrus people are beginning to tell a grim story about the results of domestic workers from other States sent here by Labor Secretary Willard Wirtz to help harvest the fast-maturing citrus supply.

In the main, it's a story of walkouts, won't work, and fantastic promises by Labor Department representatives. Holding the bag for transportation and food costs are the various citrus firms who are cooperating with Secretary Wirtz desperately trying to get crops picked.

Since Wirtz announced the program, about 200 workers have reached the State, some even from California where a similar labor shortage exists.

This total has been distributed to about eight firms, all in central Florida. Approximately half have already left their jobs and the leftovers aren't getting the picking job done.

Four of the eight contacted yesterday tell the same story.

For instance Duke Crittenden of the Crittenden Fruit Co., Orlando, received 37 men from North Carolina.

After working 2 days, 17 of them are gone. "By Saturday night, we'll be lucky to have five left," Crittenden said. "Only three have been able to pick more than 30 boxes per day and this is in groves where picking is excellent. Anyone off the street could do that well or better."

He says it costs the firm \$15 per man to get them here and figures to be out of pocket more than \$1,000.

"Most of them just don't want to work. Of the 37, only 7 are over 24 years with the rest 18 and over. We are trying to keep an open mind and are hoping to make it work. However, we think the Government should help us stand the expense with this kind of experience."

Veteran citrus producer J. B. "Babe" Prevatt at the Lake Region Packing Co., Tavares, says his firm received 53 on Wednesday, but only 5 would pick on Thursday.

"Thursday, one man picked 53 boxes at 20 cents each," he said.

"That night he and 13 others left. The rest haven't even picked anything yet."

Prevatt says he will be out \$12 to \$14 a man.

"These people say they were promised in North Carolina that they wouldn't have to get up on ladders to pick fruit," he said.

He said the program causes them to keep a field supervisor with the men to help train them and he says his firm has been "bending our backs" to help make it work.

A spokesman at the Mount Dora Growers Association, Mount Dora, who prefers not to be named, says his firm received 15 workers on Sunday. Thursday, eight had gone.

"Four left this morning. When they came, we paid their driver \$25 and gave each \$4.50 as an advance against meals. When they left, they left with this money."

This representative says the men were promised an hourly rate plus so much a box in addition to a gift of \$10 per man.

"One man drawing social security, past 65, was sent here believing he could pick fruit from the ground," he continued. "Out of the goodness of their hearts, one citrus organization bought him a bus ticket to get back home."

The Libby, McNeill & Libby firm at Ocala received 36 men. They reported to work on Wednesday.

This group came from North Carolina and the bus fare to Libby amounted to \$535.50.

Libby Official Al Kunz said Thursday he hadn't enough information to mean anything yet. But he did say the firm has had little luck with similar domestics from Southern States.



[From the Orlando (Fla.) Evening Sentinel, Feb. 5, 1965]

**OFFSHORE CITRUS LABOR NOT NECESSARY:  
WIRTZ—AID SAYS CHANGE POSSIBLE  
(By Dave Howell)**

A high Labor Department official said this morning that Secretary of Labor Willard Wirtz could not accept Florida citrus growers' statements that continued offshore labor is necessary.

Robert C. Goodwin, Administrator of the Department's Bureau of Employment Security, made the statement at the close of a meeting of the Labor Department representatives, Florida citrus spokesmen, and Florida State Employment Service representatives.

Purpose of the meeting was to iron out bugs in citrus picker recruitment.

Goodwin made the statement after several prominent Florida growers stated that if the 3,500 offshore workers now in Florida groves were not granted extensions the Valencia harvest would be lost.

"We are not accepting the need for an extension," Goodwin declared. "I am aware of the problems this creates, and I know doing this is not easy, and it may not be possible. But certainly as far as we are concerned, I do not think we can accept the conclusion that this is not possible."

"What this means to me," Goodwin continued, "is that we continue to work with you and continue to do everything we possibly can to keep domestic workers for that period, and we will be very happy to re-evaluate the program as we go along."

Goodwin denied that this was a decision not to make the extension.

"We are saying that we have to do more than we have done in the past to make the program (use of domestic labor) work," he said.

"We think that, generally speaking, we have become too dependent on foreign workers."

"We have about 200,000 farmworkers who leave agriculture every year because they cannot get employment."

Asked if in his opinion farmworkers were leaving agriculture because of lack of work or if they could get more money in other occupations, Goodwin replied, "This is part of the problem. Agriculture has got to become a little more competitive."

Goodwin said he felt that the interstate exchange of domestic workers "has done a good job and produced a good many workers."

He said however, that the Department would take into consideration many recommendations made by growers this morning to improve the program.

[From the Orlando Evening Sentinel, Feb. 5, 1965]

**"NO CROPS ROTTING," CLAIMS UNYIELDING  
LABOR OFFICIAL**

WASHINGTON.—The Labor Department refused to yield today to Florida and California demands for foreign farm workers, despite grower complaints that crops are rotting in the fields.

"The Department of Agriculture has assured us there is no evidence of crops rotting in the field because of a labor shortage," said a spokesman for Secretary of Labor W. Willard Wirtz.

Two Federal officials met in Orlando today with Florida citrus and sugarcane growers and will report to Wirtz tomorrow on their investigation.

They are Deputy Undersecretary of Labor Millard Cass and Administrator Robert C. Goodwin of the Bureau of Employment Security.

Cass has been touring agricultural areas of Florida since Wednesday.

A 1951 law under which hundreds of thousands of foreign workers entered this country

every year to work in 28 States expired last December 31.

The Labor Department has insisted there are enough American laborers to replace them, and the Department has been conducting a crash recruiting program.

Some growers complain Americans can't or won't do the hard labor of harvesting crops.

Winter crops in Florida and California were first affected by the change in the law.

Other States that used foreigners, mostly in spring and summer harvesting, include Arizona, Arkansas, Colorado, Connecticut, Indiana, Kansas, Maine, Massachusetts, Michigan, Minnesota, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, Oregon, Rhode Island, South Dakota, Texas, Utah, Vermont, Virginia, West Virginia, Wisconsin, and Wyoming.

The Labor Department spokesman pointed out that there are still more than 20,000 British West Indians working in Florida under contracts signed before December 31.

There are also still a small number of foreign workers in California under old contracts.

Any foreign workers brought into this country from now on must enter under the Immigration Act.

Wirtz has set wage levels ranging from \$1.15 to \$1.40 an hour which must first be offered to U.S. workers before growers can apply to import foreigners. So far, no applications have been granted to bring in foreigners.

The wage levels set by Wirtz do not go into effect until April 1.

He set lower rates for some States to help the transition from foreign to domestic labor until March 31. These include 95 cents an hour in Florida and \$1.05 in California.

Under the old wage rates, growers could bring in foreign workers after offering U.S. workers 75 cents to \$1 an hour, varying from State to State.

Florida's rate under the old schedule was 95 cents and California's \$1.

The Labor Department spokesman said there would be no further comment on the Florida situation until Wirtz receives the report of Cass and Goodwin.

Doyle Conner, Florida commissioner of agriculture, has complained that Federal officials are not familiar with the State's problems. The cutoff of foreign workers "is premature," he said.

In California, the Labor Department had run into vigorous complaints from lettuce growers in the Imperial Valley, but later reported the situation under control.

Now, however, complaints are pouring in from date growers. The Department spokesman said Federal officials are working with the State to resolve the problem.

Some Federal officials close to the situation privately accuse some growers of deliberately trying to create a crisis in the farm labor situation by overplanting and then letting crops rot in the field.

Some Members of Congress from agricultural States have been urging new legislation to revive the foreign labor program, but so far the Johnson administration has stood fast against it.

The old law was allowed to expire after longtime pressure from organized labor, backed by some church and welfare organizations.

They complained that foreign workers were brought here to work for low wages, living in deplorable conditions in migrant labor camps and undercutting U.S. labor standards.

[From the Orlando Sentinel, Feb. 3, 1965]

**WILL TO WORK MISSING IN WIRTZ RECRUITS  
(By Fred Shilling)**

WAVERLY.—W. C. Pedersen, president of the Waverly Growers Cooperative here, said yesterday that the will to work is missing among

unemployed persons, explaining the industry's present problems with citrus workers recruited by Labor Secretary Willard Wirtz.

Pedersen lays the entire problem at Wirtz' doorstep and his attitude that adequate labor is available in this country.

"The unemployment rolls evidently are not realistic and undoubtedly are made up of too many people who have never worked, or don't intend to work, or can't work," he said.

And he cited cases of workers who were placed in good paying jobs but gave up after a few weeks and "returned to their former do-nothing life."

Pedersen said that unemployed persons recruited in California to replace Mexican labor in harvest of fruit and vegetables are "returning in droves to their previous haunts."

"In a citrus area in California, one camp manager reported that less than 100 men remained out of a recruited group of 280 after a 9-day period," he states. "Thirty of the dropouts ate, slept, and ran—some with the camp's blankets—without doing a minute's work."

Asserting that Florida citrus people have made a sincere effort to recruit domestic labor, Pedersen declared it is an attitude of "indifference" which has created the problem in the recruitment of labor.

"Offshore laborers have been attractive to the Florida citrus industry for the simple reason that they have proven to be good workers," he noted. "They have been reliable, have turned in a good day's production and can be counted on to help during emergencies."

Pedersen said offshore workers are not brought in to undermine domestic wages.

He characterized many of the domestics as irregular in reporting for work, not taking advantage of extra days offered, laying off work frequently and taking long weekends.

"Many of our welfare programs contribute to this general lack of interest to work and encourage the poor workers to do even less," he said.

Mr. CRAMER. Mr. Speaker, the decision of the Secretary of Labor not to extend the 1951 labor agreement to allow offshore labor to enter the United States for the purpose of helping with crop harvests is causing an extensive loss of millions of dollars in citrus and vegetable production for my State of Florida. At this moment, Mr. Speaker, hundreds of tons of citrus fruit is rotting on the ground beneath Florida trees. And the reason for this loss just does not make any sense.

For the past 20 years, trained foreign laborers have been the mainstay of Florida's citrus and vegetable crops harvest. But last year the Secretary decided that these migratory workers were harming the chances of employment for domestic labor; that they should not be allowed into the United States for the purpose of crop harvesting if there was the slightest chance that our labor force could do the work. It was thought that we would alleviate somewhat the unemployment problem by giving domestic workers the opportunity to harvest the vegetables and fruits, an opportunity which they have had available to them all along. But, recruitment of domestic laborers has been a miserable failure.

Despite the unemployment problem, the rotting fruit and vegetables in Florida today tell us clearly that few domestic workers are willing to do this type of work. Those that are willing have been

hired. The industries involved and affected by this critical shortage of harvesters have, in good faith, financed the transportation to Florida of numerous laborers in the past and have cooperated with all agencies in trying to encourage domestic laborers to harvest these crops. It has, as I have said before, proven to be an exercise in futility. There are probably many sociological reasons involved for the failure to obtain domestic labor, reasons too numerous to mention here. But perhaps the most important one is that domestic workers seem to prefer less menial jobs and they can and do obtain them for the same amount of pay.

To my mind, the administration is engaged in defective reasoning which will ultimately hurt, not only the fruit and citrus growers in Florida, but every consumer in every city throughout the United States who suddenly finds the price of his daily glass of orange juice and the cost of citrus and produce increasing.

Recently, Mr. Speaker, Robert C. Goodwin, Administrator of the Labor Department's Bureau of Employment Security, stated that the reason the Department does not wish to have foreign labor enter the United States for crop harvesting is that we are depending entirely too much on this type of labor and at the same time not doing anything about the supposedly 200,000 individuals leaving agriculture every year "because they cannot get employment." When he was asked whether farm workers were leaving agriculture because of lack of work or if they could get more money in other occupations, Goodwin replied that "this is part of the problem—agriculture has got to become more competitive." I cannot say that I fully understand what Mr. Goodwin means by that statement, but if by losing millions of dollars in Florida's fruit and vegetable crop will make agriculture more competitive, then I am afraid that bureaucracy has finally gone mad.

Something has got to be done to prevent this tremendous loss, not just for this year, but in future years as well. It is a matter of record that the Labor Department's proposals are not enough—that they will not get the job done.

One of the soundest proposals yet advanced to help alleviate this problem, aside from allowing offshore labor into this country, was made by Mr. John W. Evins, president of the Florida Fruit and Vegetable Association. He has suggested a classification of unemployed farmworkers in much the same manner as unemployed industrial workers are classified. In this way, it might be possible to locate farmworkers willing to harvest crops when they are needed. I understand the Secretary of Labor says that no useful purpose would be served by such a classification. But the simple truth is that, if anything, this plan would cost the Department far less to implement than the amount which inevitably will be lost this year alone in the citrus and produce industry. I would hope, therefore, that the Secretary will take a second look at the plan.

I would hope, also Mr. Speaker, that he shelve the administration's attitude of "let the crops rot."

As a member of Mr. Johnson's Cabinet, Mr. Wirtz should, by now, be aware of the statement "Come let us reason together." This is all we ask. But it is apparent from the Department's attitude that sound, sensible reasoning cannot and will not be used with regard to this problem.

Mr. HALEY. 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 Florida?

There was no objection.

Mr. HALEY. Mr. Speaker, I am privileged to represent the Seventh Congressional District of Florida, one of the largest citrus producing districts in the United States. One of my counties, Polk County, produces almost one-fourth of the citrus grown within the State of Florida. I know well the problems which confront the citrus industry and can tell you without any fear of contradiction that the restrictions that have been placed on the importation of foreign workers to assist in the harvesting of this crop has had a drastic effect upon the citrus industry and the entire economy of our State. The plain fact is we do not have an adequate supply of competent labor to harvest our crops.

The Secretary of Labor has tried to say that this situation could be met by domestic labor; nevertheless, this has not been done. The people he has recruited and sent in from other States are unaccustomed to this type of work. Not only do they lack the skill that is necessary to pick the fruit, but many of them are not dependable and leave after 1 or 2 days of work.

During the last week of January, of the 341 domestic laborers who moved into Florida groves, 115 left after a few days. Some who have been recruited from other States and who have accepted transportation to Florida at the expense of the grower have not worked a single day. They have merely disappeared without giving even one day of labor to that grower. Hence, the grower not only is losing money by the terrible waste from the unharvested marketable fruit, but he sustains the additional loss of this investment in the transportation of a man who will not work or the man who does not work but one day or two. The industry is now confronted with the nightmare of having one of the best crops Florida has ever produced and practically no labor to harvest the crop.

We have emphasized time and time again that the importation of offshore labor does not take jobs from domestic labor—that has never been the case and is not now the case.

The noble experiment to find domestic labor to harvest the citrus crop has failed. As of February 3 it had cost the growers of my State a loss estimated at \$4 to \$6 million, based on an on-tree value, because the grower cannot move his fruit while it is in marketable condition. Labor has lost some \$1 million which would under normal conditions

have gone to picking crews and other related citrus workers. No one has yet estimated just what the loss has been in related industries.

This is what has happened so far in this citrus season. What we have to look forward to is not encouraging. The prospect of improvement during the remainder of the season is not good.

We are told that the British West Indians working in Florida under contracts signed before December 31 must leave by April 15. This coincides with the beginning of the harvest of the huge Valencia orange crop.

With our experience in trying to find domestic labor and in trying to use the domestic labor that we have found, just where will we be when we lose the 20,000 British West Indians who have helped to harvest our early 1965 crops? This will be the real nightmare.

The industry must have an adequate supply of competent labor for the remaining harvest. The only answer I can find is to extend the contracts of the offshore labor now in the United States and to import additional offshore labor.

#### WHY TODAY?

The SPEAKER pro tempore (Mr. ALBERT). Under previous order of the House, the gentleman from New York [Mr. POWELL], is recognized for 1 hour.

Mr. POWELL. Mr. Speaker, before I get into the remarks that I am prepared to make, I would like to assure my good friends from Florida that the Committee on Education and Labor, of which I am chairman, has not been negligent. We have realized the problem. We have had one man on our staff working on this ever since we closed down our session of last year, Mr. Michael Schwartz. We intend to hold hearings in Florida, in California, in Texas, wherever the problem is acute.

I have made arrangements with the ranking minority member of our committee, our colleague from Ohio [Mr. AYRES], that the Republican minority shall receive 30 percent of whatever is allocated to the general committee for salaries, so that the minority staff will receive close to \$90,000, the highest in my 21 years in Congress that any minority has received. The minority will be adequately staffed to serve the purposes of those gentlemen who are interested in this problem and who come from the other side of the aisle.

I rise today to make a few remarks first because they affect each Member of this body and of the other body.

The principle at issue is, Can any Member of the U.S. Congress repeat, off the floor of Congress, that which he has said on the floor? This has never been adjudicated by any body in the United States, any judicial body.

The danger involved is not only that you cannot repeat off the floor what you have said on the floor without being subjected to personal suits, but the danger goes beyond that because it means that the media of public opinion are in jeopardy for they never will be able to report what is said on the floor



of Congress unless this matter is properly adjudicated.

I bring this before you also because of certain biased press that has continually misinformed the public, and I come with the slim hope, probably vain, that the public might know the truth.

I would not belabor this body at this late hour, but I would like at this time to ask unanimous consent to place in the RECORD the excerpts of my remarks of January 13, January 20, January 27, February 3, March 2, March 7, March 8, March 10, March 11, and April 28 concerning the remarks that I made as regards the policy and numbers racket in New York City.

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

There was no objection.

The matter referred to follows:

[From the CONGRESSIONAL RECORD,  
Jan. 13, 1960]

#### GAMBLING IN NEW YORK CITY

Mr. POWELL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include certain extraneous matter.

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

There was no objection.

Mr. POWELL. Mr. Speaker, I rise in this hallowed spot to present to the American people the continued and shocking disregard of law and order in my city, unfortunately, and in my district in particular.

I include as a preface to my remarks an article which appeared in the New York Times of January 10, 1960, written by Emanuel Perlmutter:

"NEW YORK NUMBERS RACKET IS BIG BUSINESS—  
CRACKDOWN FOLLOWS POWELL CHARGE OF  
BIAS AGAINST NEGRO OPERATORS

"(By Emanuel Perlmutter)

"Representative ADAM CLAYTON POWELL, JR., stirred up his Harlem district last week by charging that white racketeers have driven Negroes from control of policy, or numbers gambling in that area. He accused the police of permitting the white syndicate forces to operate while arresting Negroes.

"Police Commissioner Stephen B. Kennedy denied the charge and his men followed up by staging large-scale roundups in which they arrested more than 150 persons in Harlem, mainly low-echelon policy employees. The race of those arrested was not disclosed.

"The charge made by Representative POWELL that more Negroes than white men have been arrested in Harlem is true. But this is explained by the police as follows:

"Eighty-two percent of those arrested on numbers gambling charges in Harlem last year were Negroes. This approximates the Negro percentage of Harlem's population.

"However, it is also true that the Negro bankers who once controlled numbers gambling there have either been driven out by the white racketeers or are now working for them.

"The policy game is the simplest and most popular form of gambling in New York City. It is the most difficult for the police to control, as well as the one offering the most opportunity for police graft.

#### "One-hundred million a year

"Betting on the numbers is a poor man's hobby. Wagers are for small amounts—many for as low as a nickel or a dime, although occasionally an affluent player may invest \$100 on a number. In the most common form of policy gambling in this city, the player places his bet on any combination of three numbers. He wins if the three num-

bers he has chosen correspond to three numbers appearing in the same order in a previously designated portion of the day's pari-mutuel betting total at a selected racetrack.

"The police and New York prosecutors estimate that about 1,500,000 persons in the metropolitan area play the numbers each day and that they wager about \$100 million a year.

"The usual payoff is at 600 to 1 odds. However, the player usually gets only 500 to 1, the remaining 100 being kept as commission by the man who took his bet. In addition, the policy operators lower the odds further on the most popular numbers. Players also can make their wagers in candy stores, bars, restaurants, and other retail establishments known as drops.

"Bets made with runners and at drops are picked up by an employee called a collector. He brings the slips with their bets to a controller, who can be likened to the branch manager of a bank. The controller in turn delivers the slips to the 'bank,' which is headquarters of the betting ring.

"The banker may be a powerful individual operating on his own or the representative of a syndicate. Today most numbers banks in New York are controlled by an Italian syndicate. An average bank does about \$15,000 a week business. The large ones average \$100,000. Bank locations are changed regularly to avoid police detection.

"The runners and drop employees receive a percentage—usually 15 to 20 percent—of the money bet with them. (They also get a cut of any lucky client's payoff.) They are paid by the controller, out of his 35 percent of the take. The remaining 65 percent goes to the banker, who puts up the capital for the operation and takes care of the graft payments. In addition to the field men, the policy-ring personnel includes clerks and bookkeepers who work in the bank tallying the bets and payoffs. There are also security members of the ring whose main job is to circulate in the vicinity of controllers' branches and the banks on the lookout for the police.

#### "Plainclothes force

"Gambling and vice investigations in New York City are handled solely by plainclothes policemen. There are 457 of the department's 23,897 policemen assigned to this work. Because of the graft temptations to which the plainclothesmen are exposed, they are subjected to periodic shakeups. Such a wholesale housecleaning took place in 1958, when the entire Harlem plainclothes division was transferred as a result of bribery disclosures.

"Despite the strict disciplinary regulations imposed by Police Commissioner Kennedy, policy gambling continues to increase. This is indicated by arrest figures. There were 9,459 policy arrests in 1956; 11,206 in 1957, and 13,252 in 1958. For the first 11 months of 1959, the total was 12,870. A projection indicates that last year's gambling arrests were higher than those in 1958 or any other previous year. These figures are construed by most observers as reflecting increases in gambling rather than improved police work."

I must commend the Journal-American for their series which is continuing, edited by three outstanding reporters, one of whom, Dom Frasca, wrote a most authoritative book on the mafia.

Several months ago a former police sergeant by the name of Luberda was arrested for drunken driving in a nearby county to New York City. In his car was not only discovered \$19,945 in cash but also a series of sheets listing the names of the major number bankers and their addresses and the amount of money they were paying off each week. These sheets have never been made public. I hold in my hand photostatic copies of them.

The Journal-American printed these sheets last week, but when they received

the sheets the addresses of these various racketeers were erased. I would now like to read these addresses and names and the amount of the payoff into the RECORD.

Louis the Gimp, who operates in front of my church, has five drops in Harlem and allegedly paid off \$750 a week. We have another sheet where the payoff is only \$100 a week to people lower down the scale.

The addresses are 539 Lennox Avenue; 466 Lenox Avenue; butch, 677 Lenox Avenue; candy, 582 Lexington Avenue; Carter at 133d Street and Fifth Avenue; and Richys, 146th and Eighth Avenue.

I would like to read the rest of the names of the number bankers and their addresses:

Candy, 258 West 148th Street.  
Candy, 310 West 145th Street.  
Uncle Bill, 312 West 145th Street.  
Greystone Restaurant, Eighth Avenue.  
Danny's, 134th Street and Eighth Avenue.  
Raython, 169 West 133d Street.  
Marshall, 2200 Seventh Avenue.  
Sid, 140th Street and Lenox Avenue.  
Benedetto, 134th Street, Seventh and Lenox Avenue.

T & C, 139th Street and Seventh Avenue.  
Henry's, 148 Eighth Avenue.  
Leo-Shunshine Grocery, Eighth Avenue.  
Lou, 95th Street and Second Avenue.  
Mattie, 135th Street and Eighth Avenue.  
Rose's, 140th and Eighth Avenue.  
Popp Tailor, 139th and Lenox.

Here is an operation which I do not think is connected with the Mafia:

Gibel, 308 137th Street, 459 Lenox, 117th and 133d.

Then comes barber, 326 135th Street or 145th Street.

Roxy's grocery store, Eighth Avenue.  
Scottie, 143d and Eighth Avenue.  
Sully, 171 West 135th, candy.  
Oliver's, 147th and Eighth Avenue.  
Karl, 144th and Eighth Avenue.  
Red, 25 138th Street.

Charley White, 142d Street and Eighth Avenue.

Stick's, 154th Street and Eighth Avenue.  
Now, from the other payoff sheet these are additional names:

Joe Pellegrino, phone number at that time, TR 6-9280. He operates, not in my district, 108th Street and Park Avenue.

Then come the Black Bros., 118th Street and Lenox Avenue.

Bill Sheritt, 115th and Lenox.  
Bryal Carnion, 113th and Eighth Avenue.  
Moe and Nack, 125th Street and Madison.

Then come three first names: Lou, 95th and Second Avenue; Tom, 102 Second Avenue; Danny, 134th and Eighth Avenue.

Lou Gimp, reprinted again, no need in repeating his name.

Then comes Artie, 145th and Broadway.

Then comes Wiz, 142d and Eighth Avenue.  
Jack Berger, 2020 Seventh Avenue.

Manny, 126th Street and—it looks like Madison Avenue.

Robbie, 150th and Eighth Avenue.  
Bobby Lloyd, 111 East 125th Street.

I have just received an anonymous phone call which gives me another operation in upper Harlem, not in my district. The bankers in charge of this operation are Nick Angelo and Louie B. They hang out in the Riverview Restaurant and Bar at 3543 Broadway.

Then comes another banker, Tony D'Amato, 509, 522, and 526 West 147th Street.

Tony Platt at 529 and 531 West 151st Street. These names have been phoned in to me.

Mr. Speaker, at this point I ask unanimous consent to have incorporated in the RECORD a sermon delivered by me this past Sunday at both of the services of our church, as reported by the press, to 6,000 people.

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

There was no objection.

*"Sermon by Adam C. Powell, January 10, 1960, 10 and 12 noon*

"Since I spoke out against the numbers 1 week ago today, the community of Harlem has saved at least \$1 million. The numbers have only operated 1 day since then because on Tuesday morning the police of this city closed down every place arresting over 100 of the petty members of the number racket. The estimated amount of money that is played in my district each week is around \$1 million.

"One of the unanswered questions that I would like to pose today is how is it possible for the police department to say that they do not know the places, and they do not know the number operators yet, on a 36-hour warning from this pulpit, were able to close down every place in this area and arrest over 100 people? I said to the press on Tuesday morning, January 5, in the presence of the deputy chief inspector and his staff that the police department knows every single name that I have and every single place that I would produce, but they have not been apprehended nor closed down.

"Now there has been a lot of conjecturing as to why I did what I did. I have held conferences through the years with various police commissioners, including the present one. I have pointed out the invasion of Harlem by white musclemen, resulting in beatings and even sometimes the killing of Negroes who stood in their way. The unchallenged fact which the deputy chief did not answer on Tuesday in front of the press: there is not operating anywhere in Harlem, a single Negro banker. The entire operation is totally in the hands of people who do not reside in nor are connected with my community.

"I have been advised by some people that there is a resentment in some quarters, even in the Negro community, that I have deprived them of their habit of playing the numbers and have deprived the petty number runners of their illegal livelihood. Mention has been made that this might even cause political repercussions. Now I would like to state unequivocally that this has only served to strengthen my resolve and purpose. I am determined more than ever before to pursue what I started out with, not only in this area, but in the lower East Harlem Puerto Rico area, in Brooklyn, Bronx, and wherever I can get the cooperation of the people.

"For me to withdraw because of possible political repercussions would be a confession of moral weakness on my part; and, also, for me to withdraw would mean that this community is so morally decadent and degenerate that it would be hopeless for me to pursue this matter. I have stood in this community for 30 years as a leader. I need nothing more and if what I am going to do is going to hurt me personally, I welcome the consequences.

"I am not afraid of the Mafia, the syndicate, the gangsters and hoodlums. I have specifically asked the police department not to provide me with any bodyguards.

"I would like to emphatically state once and for all, including my assistant ministers, that no one at any time, in any way represents me. I understand that there have been efforts made by the underworld to reach me through some of my self-called associates. I have no associates in this endeavor. If other individuals want to help, it is up to them. But nothing that anyone does can in any way, directly or indirectly, be attributable to me. And, furthermore, if any individual in any way claims they represent me and are trying to intercede in this issue I will be the first one to agree with the press that they are liars as far as I am concerned.

"The police department of this town needs a citizen who can speak from this pulpit and the pulpit of Congress; who is not afraid and who can lay before the American public

this continued and shocking flaunting of law and order.

"I am not charging anyone with anything, but I am stating one unchallengeable fact, that the Mafia and the syndicate are in complete control of Harlem and that Negroes are the ones who are arrested while the whites go free. May I point out here that Deputy Police Commissioner Arm should apologize to me and to this community or be removed immediately by the commissioner for his out-and-out lie in the newspapers of last Wednesday, for he said, and I quote from the daily papers. He was asked by the press: 'What was the percentage of whites and Negroes arrested in the Tuesday raids?' He said, 'I am not playing POWELL's game, we do not issue any statistics based upon race.' Yet, just a few paragraphs later in the same news story, Deputy Chief Burns said '82 percent of those arrested were Negro.' This indicates clearly that the deputy police commissioner was lying. I would also like the press of this city to investigate the lawyers' names that appear on misdemeanor slips in the magistrates' and special sessions courts of those who are arrested for numbers. Find out through the proper authorities who pays them for representing the numbers runners arraigned in the local courts. I am sure that they will find out that a high official within the New York City government is involved in this as a lawyer.

"I come today at this hour of spiritual emphasis to stress the moral implications of the policy racket in this community and for that matter in any other community.

#### "Section I

"If this low-income community has drained from it between \$3 million and \$4 million a month, then the first fact I wish to point out is that the numbers is pauperizing Harlem.

#### "Section II

"Deputy Chief Inspector Burns has said that roughly 4,500 people were arrested last year for numbers in the 10th division, Harlem. The Library of Congress is researching this for me. That means, over the last 12 years, there have been 50,000 arrests in this community, and I would double that figure for 5 boroughs. In other words, 100,000 Negroes have been arrested during the past 12 years. This means that this community is being criminalized. Once a person is arrested it is almost impossible to receive private employment any more. There have been many, many tragic incidents of those who had civil service jobs who were forced to resign because at some time they had been arrested for the misdemeanor of being connected with the numbers.

#### "Section III. What Shall We Do?

"In the first place, I warn the police department and alert the citizens that there shall not be a reign of terror in this community. It is possible that some members of the police department who may have been on the payroll of the policy barons out of sheer desperation and anger will resort to brutality, illegal entry of homes, and unlawful arrests. I strongly condemn the police department now for their failure to arrest whites this past Tuesday, January 5, for their failure to carry out similar numbers raids in lower East Harlem, and the Bronx, and Brooklyn; they knew the places and the individuals. I strongly condemn Police Commissioner Kennedy now for his failure to have at the top in police headquarters, a Negro and remind him that I not only asked that if one of the police commissioner deputyships could not be a Negro that a Negro be named secretary of the police department. This he has refused to do and the position is still vacant. The mayor should intercede now and demand that qualified Negroes be appointed at command levels.

"In the second place, I call on the mayor of the city of New York to appoint a special commission with subpoena power to investigate the numbers and everything with it and I offer myself, even though I have more than I can do now, to serve on this commission.

"Third, I have this day sent a wire to the Governor of New York State asking him to institute a special investigation of numbers in this city through State law enforcement agencies, through a special commission, through the State attorney general or through all three.

"Fourth, I ask the Governor in this wire to call for legislation giving him the power not just to pardon people because of felonies, which is now the law, but to be able to pardon people who have been convicted of misdemeanors. I ask our local representatives in Albany to introduce the appropriate legislation immediately.

#### "Section IV. What Can We Do as Individuals?

"In the first place there is a need for a moral reawakening in this community. The playing of numbers is not due to any inherent racial weakness, it is due to the fact that far too many do not receive wages sufficient for their needs and feel that through the easy way they can hit the numbers and provide that margin now. This of course is factually impossible. A sucker never wins, only the combine, syndicate, and Mafia. All this points up the need for moral reawakening. It may take a little time but just think that every day we keep the heat on the police department and keep the heat on the bums that infected this community. Every week we do this we are saving a million dollars. Just think what \$50 million in 1 year could do for Harlem. Think of the banks, housing, churches, private hospitals.

"In the second place, we need to realize that we as a community are sick. Just as narcotics becomes habit forming for the individual, so has the numbers become habit forming for about 50,000 people in this area. We need to 'kick the habit.'

"Instead of the old symbols of 'get rich quick,' 'do it the easy way,' we need the new symbol of 'stand together.' Take these pennies, nickels, dollars that we have been squandering, deposit them in our banks, pool our resources and let's lift ourselves up.

"All of the heritage of the Negro people is now being aborted, squandered, and dissipated. Here we find our community lower in income than nearly any other community in New York and yet each year we are sending out \$50 million of our money to support another community.

"Here we are face to face with a new birth of equality in our educational system. Next month hundreds of Negro children are moving out of Harlem going to a new school in Yorkville. All the forces of society are now moving toward a better day for Negro people with better education. How can we be worthy of this new day? How can our children be respected and respectable as long as they come from these homes that have been pauperized and criminalized by the sickness of their parents?

"And finally, I call for an individual catharsis. We as individuals need to take a mighty force into our own beings to purge us of the weaknesses and the accumulated sicknesses and to individually say that by the grace of God, I am going to stand firm. I will not go back. I will take my place as a member of society. I refuse to allow myself to be pauperized and criminalized by the sickness of gambling and the sinister forces of the Mafia. I plead with the Department of Justice, the Governor, the mayor, the five district attorneys to go to work and clean up this festering cancer forced on us by the outside elements."

Mr. POWELL. In this sermon I gave to the law enforcement agencies of New York two leads on how to discover the Mafia and track



them down. All the arrests are of the petty numbers runners and collectors, nearly all Negroes and Puerto Ricans. Not a single banker has been arrested in New York City at all. They go free. They can track them down as follows:

The 13,000 who went before the gamblers courts—both the magistrates and special sessions—last year are represented all the time by virtually the same lawyers. Speaking only of the Borough of Manhattan 90 percent of the 4,500 who were tried last year were represented by the same lawyers; one lawyer uptown and two or three downtown. One of these lawyers is a New York City official and his name, as all the other names of the lawyers, appears in the records of the courts. When a defendant comes before the court he must state the name and address of his counsel who is present.

These numbers people arrested do not pay their lawyers. The lawyers work for the combines, the syndicate, and the Mafia, and have a flat charge of \$25 a head. They are not paid by the person who is arrested.

So the first thing I am requesting is that the proper authorities—county, city, State, or Federal—shall find out from these lawyers whose names are a matter of record, who pays them.

The second lead I would like to give is this: The bail bond business for these arrested people is almost totally in the hands of one individual. They do not pay for their bail bond. A \$500 bond, under standard practice, costs \$25 to obtain. This is paid for them by the Mafia or the syndicate or combine, whichever group they are working for. Therefore, if the authorities are really interested in this, they can put under oath this bail bondsman and find out who pays him.

I would like to say that everything I am saying was backed up last Monday by the meetings of the Interdenominational Ministers Conference of New York and the Baptist Ministers Conference of New York before whom I appeared. They are backing me unanimously, and represent some 514 churches in our town.

Why have I brought this before this body? Because of the fact that this situation has been in existence in my community and in New York for years and continues to get worse. At a press conference held last Tuesday, the deputy chief inspector, Mr. Burns, in charge of my area, and his staff were present. In front of the New York press I challenged him. I said, "Every name and every address that I have, you know." He knows them. The police department knows them. And the proof of it is that when I delivered this warning from the pulpit at 5 o'clock on Sunday, January 3, within 36 hours the police had closed down many numbers places in my congressional district and had arrested 105 people. So they knew the names and the places. But they only did it in my congressional district, not touching any in any other district. That is why I am bringing in the other names and places in the districts nearby.

I am appealing from this pulpit here for some agency to really get to work on this problem that is pauperizing and criminalizing the poor of New York.

I have complete confidence in the mayor of our town, Mr. Wagner, as an individual. I have complete confidence in the police commissioner of our town, Mr. Kennedy, as an individual. I have confidence in the five district attorneys as individuals, one of whom is our former colleague, Representative Dolinger, now the district attorney of the Bronx. But I do not have confidence in everyone underneath them. The events of the years showing that this operation can go on and showing that, according to the authoritative book on the Mafia, the numbers in New York is the backbone of the Mafia in this country, the fact that it can continue and

these people go unarrested and these places go unchallenged, means that someone somewhere down the line in a responsible position must be taking big payoffs. Judge Mullen said this in sentencing Sergeant Luberda.

I would also like to take this opportunity, and will follow it up with suitable correspondence today, to ask the Department of Justice to investigate every name I have presented today and to see whether the gambling stamp tax has been paid. The gambling stamp tax legislation was passed by this body and signed October 20, 1951, and became law November 1, 1951. I would like each name checked for each year since, to see if they have paid their gambling stamp tax. If they have not, then the Federal Government has an opportunity to move into this problem.

This is just the beginning of many such talks I will make, one a week, revealing more names as they come to me, hoping that some agency of our Government, local, State, or Federal, will stop letting its hands be tied by these vicious gangsters, operating not only in my town but operating in nearly every major city in this country. Maybe what I say here each week revealing the names and addresses will put enough heat under the proper city, county, State, and Federal authority, and put enough heat under the lawless element itself, so that if we cannot drive out gambling we can subdue it so it will not be as flagrant as it is now.

Naturally, I have received many threats over the phone and through the mails, but these do not interest me one bit. I will be here, with God's help, next week to put more names and more addresses into the CONGRESSIONAL RECORD.

[From the CONGRESSIONAL RECORD, Jan. 20, 1960]

#### THE NUMBERS RACKET IN NEW YORK CITY

Mr. POWELL. Mr. Speaker, last week I exposed before this Congress and the Nation the numbers racket of New York City as pauperizing the poor and criminalizing the dwellers of the ghettos. The number of criminals is increasing rapidly according to the records of the courts. The amount of money now being played per year on numbers only, in New York City alone, is \$150 million. This figure is arrived at on the basis of estimates made by members of the press in New York.

All of this is operating without a single banker or big controller being arrested. It is entirely in the hands, according to the police department's own admission and statistics, of the Mafia syndicate and the combine, as the New York Times reported a week ago, in their Sunday edition, with every single Negro even in the Harlem community, driven out.

Last week I put before this Congress and this Nation the names and addresses of a few of those operating in my district, plus excerpts from my sermon calling on the people of my community to kick the habit of gambling. Police headquarters in New York City issued a bulletin after my speech of last Wednesday saying that the names that I gave them were "no new names" and that the list which I presented here in Congress, photostatic copies of which I hold in my hand, was 5 years old. These are the photostatic copies of the lists found on former Police Sergeant Luberda when he was arrested in March of last year by State troopers near Suffern, N.Y., for drunken driving.

Subsequently they found nineteen-thousand-four-hundred-odd dollars in his car. These lists have the names and addresses of a number of places and of the numbers operators, with the amounts by each name of how much was paid off to the police.

Sergeant Luberda went to prison for 2 years for refusing to testify before the grand jury.

These lists, by the way, were identified in court by a member of District Attorney

Frank Hogan's staff as "the payoff list" to the police department. Judge John Mullen in sentencing Luberda to 2 years in prison said, "You are the bagman for the police department."

The police department last Wednesday after my talk here said these lists were 5 years old, and also said I gave no new names. In the first place, there were new names, four, to be exact, and I will repeat them:

Nick Angelo and Louie B., bankers, 3543 Broadway.

Tony D'Amato, 509, 522, and 526 West 147th Street.

Tony Plait, at 529 and 531 West 151st Street.

These are new names.

The police department confessed later that one of them had been arrested, but he was "only a runner." This is an untruth. These four are all big, and the biggest is Tony Plait, at the two addresses I gave to the Congress last week.

Today in my remarks I will list more new names and more numbers headquarters, but in the meantime I am asking the police department to explain to the public why they have not arrested all of those who were named last week if for no other charge than the usual charge, that of vagrancy.

Let us take the word of police headquarters that the list I introduced last week was 5 years old. Mark you, these are the exact words of Deputy Police Commissioner Walter Arm as reported in the daily press in New York, that those lists are 5 years old.

Those lists I gave last week were part of the lists found on the person of former Sergeant Luberda in March of 1959. If these lists are 5 years old, then that means that Luberda, who was on the police force then, was the bag man for the police department while on the force. I would like the special committee of Congress which has been investigating payola on TV and radio to look into the \$150 million numbers racket in New York and the payola to the police department of New York which, in other words, has been going on for 5 years. We know, of course, it has probably been going on much longer.

The damaging admission by police headquarters that they knew all of these lists for 5 years proves that they knew how much was being paid off by Luberda, because the amount is by each drop, with the weekly payoff, the amount by these names of weekly payoff to the lower echelon, the man on the beat.

I asked them publicly why they did nothing about this for 5 years. The public knows they did nothing.

Since the lists are 5 years old, then that means also the police headquarters knew who the bankers were—these names are here—where they were operating during that 5 years and yet let them operate freely without any arrests.

The very first name there, Louie the Gimp, was not arrested until I held a conference with the police commissioner and complained about Louie the Gimp, one of the biggest, operating a numbers bank in front of my church. Then and only then was he arrested. If they, the police department, say they knew about it for 5 years, since police headquarters knew that the list found on Luberda was 5 years old, why did they obstruct justice by not so informing the district attorney, Frank Hogan? The release from the police department, the list of 5 years ago, is also corroborating evidence, and this is important, that the gambling stamp tax which we passed here in 1951 is now due for at least 5 years on each one of the names mentioned.

I just received a letter a few minutes ago from Mr. H. Allan Long, who is director of the Intelligence Division of the Treasury Department. In response to my remarks of last Wednesday, he writes me, and the letter just



came, that they are working on the gambling stamp tax of these named, and I quote from his letter, and it is already in the hands of the New York office.

The next point I want to bring out is—how can the police department and the district attorney's office find out who the overlords are in back of this \$150 million racket?

Ninety percent of the bail bond business is handled by one man. How can we find out who pays off this one man? Because the bail bond fee and the forfeiture are not paid for by the man when he is arrested. They are paid for by someone else.

First. The application for the bail bond in New York City shows who pays the premium, and that is in the office of the company. The company is known to me and the company is known to the authorities in New York. So, therefore, it would be easy to find this information.

Second. The confession of judgment on the bail bond shows who pays the forfeiture. This must be signed in advance.

Third. And this is the important part, and this is a most important part, the affidavit filed with the court under the law of New York shows at whose request the bond is written when the bond is written. This affidavit is found in the court clerk's office attached to the bond.

I might point out that most of the time when the bond is written the defendant is in jail.

With all of the foregoing information, if 200 or 300 of these number runners who are repeaters, and mark you who were arrested before the Sergeant Lubarda exposé of March 1959, if they are subpoenaed and cross-examined, it would definitely show that they did not pay for their bail bond. They did not pay for their lawyer, even though at the beginning some might lie. After that evidence has been secured, then the bail bondsmen can be brought in and confronted with it and a demand made then as to who did pay for the bail bond.

I would like to say the district attorney for New York, Mr. Hogan, has been very cooperative. I have been working very cooperatively with him. I had an extensive conversation with him last Saturday. On Monday, I received a tip which undoubtedly is going to lead to the very top. I immediately called up Mr. Frank Hogan for whom I have the greatest admiration. He was overjoyed to get it and his office, with his own detective force, is working on this now. This, I think, is going to break within the next few days and I cannot say any more about it because it is too important.

These are new names and new addresses that I am going to give:

Candy Store, 469 West 148th Street—under Nick Angelo. Also, the J. & P. Market, 3614 Broadway. The E. & J. TV appliance store at 3638 Broadway, Freddie's No. 2 Grocery Store at 3343 Broadway. Under another known hood named "Al," known to the police department, these are operated: The Big Four Coffee Shop, 3301 Broadway; Produce Market, 3491 Broadway; and again under Nick Angelo, the Piedmont Restaurant at 3301 Broadway. Finally, under two new bankers known only as Sol and Tom, the Amsterdam Market at 2016 Amsterdam Avenue.

I will continue to list these names, continue to turn them over to the district attorney, to the Intelligence Division of the Department of the Treasury, and to another authority that I cannot reveal at present that has been working with me—an authority in our area. I have received many threats, but they mean nothing to me. I will be back here, God willing, Wednesday with more of these names until that day comes when the police department of my town starts arresting these known people and starts closing up these known addresses which, in their own words, they have known for 5 years.

I yield back the remainder of my time, Mr. Speaker.

[From the CONGRESSIONAL RECORD, Jan. 27, 1960]

#### CIVIL RIGHTS—GAMBLING RACKET IN NEW YORK CITY

Mr. POWELL. Mr. Speaker, this day being Wednesday is the day that I have chosen in this session of the Congress to stand in the well of the House and tell the truth concerning the gambling racket in the city of New York. Also this day has been reserved by our distinguished colleague, the chairman of the Judiciary Committee, the gentleman from New York [Mr. Celler] and our colleague, the gentleman from California [Mr. ROOSEVELT] for a symposium on civil rights.

In the remaining time left to me I would like to cover both of these topics. If I was preaching, with my Scripture background, I would take the Book of Numbers on gambling, and the one on civil rights would be the Book on Revelations.

Mr. Speaker, I should like to say a few things concerning the civil rights bill. I decry the bringing of partisanship into the field of civil rights. Civil rights is something that should proceed on a bipartisan basis. I also decry hypocrisy in this field and that is why I have so much respect for our colleagues from the other side of the Mason-Dixon line. They are honest. They proclaim both here and outside of Congress, by their vote and by their speech, their attitude. That is honesty. But too many of our northern colleagues say one thing here and another thing outside, or say one thing outside and vote the opposite here. That is hypocrisy.

Specifically, I would like to refer to the housing bill of last year to point this up. When the housing bill came up here I introduced the Powell amendment to ban all discrimination in the entire housing bill. When I did that just a handful of my colleagues from this side of the aisle, the Republican side, stood up and voted with us on this side. The next day, if there was one particular part of the housing bill that our colleagues on the Republican side did not want, it was the public-housing feature. So one of the gentlemen, who the preceding day had voted against the civil rights amendment, introduced my amendment, but only to that public-housing feature. I took the leadership that day in marching down the aisle to kill that civil rights amendment because it was hypocrisy.

I believe in this year it is going to be of serious damage to the Republicans if they continue to proclaim one thing and refuse to sign that petition there.

I can say very objectively I do not think the Republicans should feel that their candidate for President, Mr. Nixon, is in.

I felt that way once before about a gentleman named Mr. Dewey. And Mr. Truman, on the basis of civil rights mainly, in the last few days of the campaign, in the face of every poll against him, came through and won. Nixon is not in. Nixon can be defeated, and it may well be that what is happening here in this Chamber on this particular issue, the issue of civil rights, might be the thing that will defeat the candidate for President of the Republican Party. What is happening here is being watched very closely, very closely by the minority press in this country, and being reported by them. So, as I present that issue from the "book of revelations," I close that and move on to the other one, "book of numbers."

Mr. Speaker, I would like to say that since we began this series of weekly exposés of the sordidness of gambling in New York, the pauperizing of the poor, and the criminalization of the people in the ghetto, that within the past 3 weeks several high officials of the police department have resigned their office, one within just the past 48 hours; that the

mayor of our city has held today, at city hall, a conference on corruption in city departments, and one of the invited officials present in that off-the-record conference was the police commissioner of New York; that on this past Sunday the speaker of the assembly of the New York Legislature, Carmen Carlini, on television pointed out that what I was saying was correct, but more than that he made the serious charge that all I was revealing was just the beginning; that this unholy alliance between the Mafia and the syndicate and the combine in New York City and numbers and racketeering and narcotics and prostitution was an unholy alliance even with some top officials. That was his statement. I would like to point out, in contrast, what has happened in Chicago and not happened in New York. In Chicago, when the details became apparent that some of the men on the police force were in collusion with men of the underworld, a shakeup took place. In New York City no shakeup has taken place. I think that a shakeup in the nature of the removal of every inspector, deputy, chief, and precinct inspector should take place in the Borough of Manhattan as a signal that there is going to be a new regime of honesty. I do not mean that these men who are in position in Manhattan are dishonest. I do not mean that they should be removed from office, but transferred to other boroughs so that those who now roll our streets and walk our streets as known criminals know that the day of being scoundrels has passed.

Now I would like to put into the RECORD another series of names and addresses. So far in the names and addresses I have listed, I have made only one error and I would like to rectify that first. In the CONGRESSIONAL RECORD last week I listed as one of the number gambling drops in New York the E. J. TV Appliance Store at 3638 Broadway. On checking that I find out that the number is 3648 Broadway—3638 Broadway is occupied by two eminent gentlemen, Mr. Carl Tomlinson, who operates a restaurant known as Carl's Restaurant, and Mr. Alexander Rosenklatz who operates a very fine Thrifty Store at that address. As I told you, last week I mentioned the names of two individuals who I did not have their last names of, and during the past few hours I have received information concerning them. I mentioned Sol and Tom. Sol and Tom's last name is Capaldo. They operate and own a vegetable market at 2016 Amsterdam Avenue. I am reading the report that comes back:

"These two have been in this district for 10 years to my knowledge. They have about 10 runners and comptrollers working for them. These two bankers, the most defiant bunch you have ever seen with respect to the law. They work Amsterdam Avenue from 6 a.m. to 9 o'clock at night. The police just pass them up."

"Even during the reporting of their addresses and names last week until now they are still operating freely. They must be paying out. If not, why do not they pick them up when they see them? They know their spots. It is a shame to see these bums taking this money even off of relief clients that are being supported by the taxpayers of New York. I figured that if I wrote you you would be able to investigate why the police of the 30th precinct, Washington Heights and also the headquarters men of the special squads including the Police Commissioner's Confidential Squad, why they do not run these bums out of this neighborhood once and for all?"

"Is there any way and why are not arrangements made so that these fellows are turned over to Federal authorities for evading their taxes, especially the gambling tax?"

I wish to assure the writer of this letter that I have done this and am working in complete cooperation with the collector of internal revenue.



"I only hope that with the help of God you will be able to continue on with your crusade against this rotten element. I have lived in this district for over a quarter of a century and between you and myself have never seen gambling as wide open as it has been going on in this precinct for the past 5 years. We know where the fault lies. It is nowhere but in the police department. They look the other way. Honest people are not blind and we are not afraid to say something that may hurt their feelings.

"I will try to itemize addresses of stores that they operate from and will watch them carefully but in the meantime I give you these addresses.

The K and T Shoe Shine Parlor at 500 West 160th Street. Open all day Sunday. Known to pick up bets for the following day. Also they sell wine and whisky. This, therefore, is a Federal offense.

Then he gives me the license number of a car of one of those who operates with them. It is 3565BX 1959, not renewed as yet, a red and white sports model brand new Oldsmobile, 1959.

There is also George Capaldo, who is the father of Sol and Tom. He operates the candy store next door to the shoeshine parlor at 502 West 160th Street.

Then there is the Dexter Tavern, 160th Street and Amsterdam Avenue.

The next part of this letter I must delete because it is very important. I have already informed District Attorney Hogan in New York concerning this by telephone this afternoon.

I would like to bring in some more names that have just been phoned to me.

The Sol and Tom operation, 501 West 160th Street.

Sam's Food Store, 518 West 159th Street.

Harry's New Broadway, 2498 West 159th Street.

And then a banker, Lou Waltman, 521 West 156th Street, Apartment 1-A.

Then the Lucky Lunch at 2070 Amsterdam Avenue.

I will bring before this body next Wednesday more information with the hope that in some way what I do here may stimulate the conscience of the leadership of our police department in New York to clean up the force and make our town a better town in which decent people can live with dignity and without fear.

[From the CONGRESSIONAL RECORD, Feb. 3, 1960]

#### GAMBLING IN THE CITY OF NEW YORK

Mr. POWELL. Mr. Speaker, I rise today as I have for the past three Wednesdays to bring before this body and the Nation the continued massive indifference of the authorities of my town toward the numbers racket plus the information that comes to me each week concerning various places that are operating in my area of New York, together with the names of the men who are operating some of them, with the exact addresses.

New information has reached me within the past few minutes. I now have the name and the address of a former member of the Bureau of Internal Revenue who was the deputy collector of Manhattan and who resigned in 1952 to become the numbers boss of lower Harlem.

His name is Harry Felt, former address was 207 East 202d Street, Bronx, N.Y., and he operates from 116th Street down in the Harlem area. His headquarters are various houses on 115th Street between Lenox and St. Nicholas Avenues. He uses two places for his telephone communications. One is a restaurant called the Asia Curry Place at 100 West 115th Street. The other is the drugstore on the corner of 115th Street and Lenox Avenue, on the West Side.

Mr. Speaker, it is absolutely shocking that a former official of the Bureau of Internal Revenue who was in charge of this area as

a member of the Internal Revenue staff resigned in order to become the numbers boss of this same area.

I would like also to read a copy of a letter which went to the police commissioner of New York on January 23. Nothing has been done concerning this letter. A copy was forwarded to me.

This letter points out that the writer is a former teacher in the public schools of New York and had been for many years a patron of the Bickford Restaurants throughout the city, presently taking his or her meals at the Bickford Restaurant on the corner of Broadway and 145th Street.

This letter reads as follows:

"NEW YORK, N.Y.,  
January 23, 1960.

"MR. STEPHEN P. KENNEDY,  
"Police Commissioner,  
"New York, N.Y.

"DEAR MR. KENNEDY: I am a former teacher in the public schools of New York City. For many years, I have been a patron of the Bickford restaurants throughout the city. Presently I am taking my meals in the Bickford restaurant at the corner of Broadway and 145th Street. I have discovered that gambling has invaded this restaurant in the form of numbers, and its presence is much to the annoyance of the decent clientele.

"The men who have invaded my favorite eating place with their gambling business are white Americans. I have heard them addressed as Lynch, George, and Mr. Jenkins. They have a booming business in numbers among the colored and white patrons. The manager of the restaurant has knowledge of the existence of gambling here, as I have seen him making wagers on the numbers with Mr. Jenkins. He is in rapport with all the gamblers, and he is an avid devotee of that phase of the numbers known as 'single action.'

"I was not aware of the serious nature of my surroundings, until the recent attack on the numbers by Congressman ADAM CLAYTON POWELL. If the activity here may be used as a basis for judgment, there is much truth to what the Congressman is saying. Three white men are collecting numbers in a public restaurant, every day, without interference from the police.

"Despite what I have seen, it is difficult for me to believe that the apparent immunity of these men is due to any deal with the police. I should prefer to believe that is mere coincidence that they have not been arrested. Is it coincidence?

"I would like a definitive answer.

"Respectfully yours,

"\_\_\_\_\_  
"Retired."

I therefore sent the commissioner a telegram today asking him for the good of our town to transfer from upper Manhattan the three police inspectors who now are in charge, Inspector Burns, Inspector Nidos, and Inspector Whalen; and I said in this telegram, "I am not bringing any charges against these three men," but I state that in view of the massive indifference and continued flagrant disregard of law that for the good of our town this action is long overdue. Harlem needs new police chiefs.

I finally would like to put into the RECORD another list; and may I say so far I have put into the RECORD about 50 places with the names of gamblers in charge, and not a single one of these stores that are being used as fronts have written to me saying that I was wrong.

Now I would like to put some more in. These are places being operated by bankers, mainly, Vincent Curbello and Philly Black. These are known hoods. These are the places they are operating: 29 East 104th Street, El Flaco; 860 Lexington Avenue, a bakery; in a bar and grill at 115-116 Lexington Avenue, the Friendly Bar; and another bar and grill

called the Flat Tone at Third Avenue and 106th Street; and a store called the Fast Harry Store, a good name for it, 216 East 112th Street; and then three bankers operating on 111th Street, at 14, 18, and 26 East 111th Street.

I trust that I will have more information next week. I again say that I hope the police department of our town will see that this corruption if not wiped out is at least subdued.

[From the CONGRESSIONAL RECORD, Feb. 25, 1960]

#### THE IMMORALITY OF THE NEW YORK POLICE DEPARTMENT HEADQUARTERS

Mr. POWELL. Mr. Speaker, I rise to continue my attempt to bring law and order or some semblance of it back to my hometown, New York City, a series that I have been undertaking from this floor since the opening week of this session of the Congress.

The time has come to explode a new dodge now being employed against the forward progress of the Negro citizen: that appointments to high office should not be made "on a basis of race."

No less a person than Stephen P. Kennedy, the police commissioner of the city of New York, is the most recent public figure to employ this ironic technique. Recently, I urged him to appoint a qualified Negro as one of his several deputy commissioners. Posing as some kind of righteous American, he loftily refused on the basis that he did not make appointments "on the basis of race."

Since the Negro people were freed as slaves, the whole of this country has been working to correct a terrible wrong and balance the sheet of democracy. One of the means of balancing the sheet has been the appointment of qualified Negro citizens to high office. It is part of our record that whenever these precedent-making appointments occurred, all of us have been proud of the fact that we were accomplishing the American dream of full democracy for everyone.

Now, when the police commissioner of the greatest city on earth is urged to participate in the American dream, he arrogantly refuses to do so and takes a pious attitude in the bargain, he is fooling no one. An honest and sympathetic public official would never take such a counterfeit position in the face of the Negro's long struggle for status.

When I asked the commissioner to appoint a Negro, I laid emphasis on qualification and representation. To appoint a Negro on the basis of race would mean making such an appointment regardless of qualifications. I did not, as the commissioner well knows, ask for such an appointment. It is foolish on the commissioner's part to pretend in public that I did. On the contrary, I called for adequate representation of our vast Negro population in the higher councils of the police department.

I feel, as does the mayor's committee on Harlem affairs, that a qualified Negro commissioner could not only make a fine contribution to the solution of minority problems, but lift the prestige of the department in the eyes of our minority citizens and give a higher morale to minority rank-and-file members of the department. Any rational person will agree that this has been and is a valid position.

But there is a far deeper significance in the police commissioner's arrogant and counterfeit position. It is basic in our form of government that police power and military power are to be subjected at all times to civilian control under the will of the people. Something is basically wrong when a servant of the people—in this instance, the police commissioner—can publicly thumb his nose at elected officials and responsible citizens' groups seeking redress.

The police department of the city of New York has become a law unto itself, responsible to no one. It rolls along making its own rules and laws and treating the people as if they were the servants. Our experience has been that when a community of citizens criticizes or protests some action or inaction of our own police department the immediate answer they get is an arrogant statement in the press from the commissioner, immediately followed by the dispatching of shock troops to the area in an open attempt to intimidate the people. This callous contempt for the people has bred in the police department of the city of New York the resultant contempt for the laws of rights and crime and corruption.

For instance, in a city and State where laws against discrimination in employment are in effect, the police department of the city of New York is one of the chief practitioners of discrimination. Not only are there no Negroes on the commissioner level, out of 60 inspectors, only 1 is a Negro; out of 212 captains, there is not a single Negro; out of 750 lieutenants, only about 10 are Negro—the figures get worse the farther down the line we go. These figures reveal that unless there is a change of heart in both the police commissioner's office and in the manner of selection the Negro will never win adequate representation in the police department of the city of New York.

For some weeks now I have been outlining the flagrant discrimination in arrests in the numbers racket in New York City, and particularly Harlem. It is apparent to even the casual observer that this racket could not exist without the tacit approval of the police department. Nevertheless, I have refrained from making any charges against the police department in hopes that it would clean its own house. Obviously, viewing the attitude of the commissioner, this will never happen.

Today, therefore, I do not hesitate to say that an area of suspicion that the police department is in partnership in this racket is increasing by the hour. I believe, therefore, that the commissioner ought to resign, and that the mayor ought to appoint an interim board of responsible citizens to clean up the mess. Barring such immediate and forthright action, it is highly possible that the city of New York may be facing some such scandalous situation with its police department as now exists in the city of Chicago.

On Wednesday of this week the New York Times lambasted me for criticizing the police commissioner, accusing me of carrying on a personal vendetta with Mr. Kennedy and trying to "push him around." I have no quarrel with Mr. Kennedy, only with his injudicious handling of the office of police commissioner, a post of vital importance to my people. Let the New York Times defend the rank discrimination existing in the department under Mr. Kennedy; let the Times defend the merciless rackets that rob the poor and exist in New York City; let the Times dare to conduct an appraisal of Mr. Kennedy from among his own men in the department and it will discover that the man the Times calls one of the best New York has had is one of the most unpopular commissioners in the history of New York in his own department.

The Times goes on to say in its editorial that Mr. Kennedy fears no one, not even the mayor. What the Times should have said was that the commissioner is responsible to no one, not even the mayor. The people of New York did not elect Mr. Kennedy; they did elect Mayor Wagner, and it is high time that Mr. Kennedy comes down off his throne and realizes this simple fact.

Mr. Speaker, I would like to point out that the police department of New York City, in recent years, had as a deputy police commissioner at least one qualified Negro, until Mr. Kennedy became police commissioner. Since then this policy has now developed into a

total lily-white policy. I have asked Mr. Kennedy to appoint a qualified man from the Negro-Puerto Rican uptown community. The mayor's own commission asked Mr. Kennedy to do likewise. He refused and has just appointed within the past few hours a lawyer from New York by the name of Leonard Reisman, special assistant in the State attorney general's office. He is now deputy police commissioner in charge of licensing. Mr. Reisman, no doubt, is a qualified man, but this is a position that was held for years by Negro members of the uptown community.

Now, why is all this? I believe that it is due to the fact that there is a concerted effort on the part of the high-ranking officers of the police department to do business with the gangster element of our town insofar as it operates in the Negro and Puerto Rican communities. This they could not do with a Negro in a high-command position.

I would like to place in the RECORD a complaint which was made by a citizen on August 17 of last year and again on September 9 of last year in which this citizen complained to the supervising assistant chief inspector of the police department, Mr. John Walsh, that a woman by the name of Ester James, 1744 Amsterdam Avenue, was extorting money from gamblers and those operating numbers in the uptown area for the purpose of transmitting this money to police officers. Even though this complaint was made on August 17 and renewed September 9, the police department has not stopped this practice; no investigation has been made, and Ester James continues to be the payoff woman for the police department higher ups. I would like to place that complaint in the RECORD at this time:

"NEW YORK, N.Y., September 9, 1959.

"MR. JOHN WALSH,  
"Supervising Assistant Chief Inspector,  
"New York, N.Y.

"DEAR MR. WALSH: On or about August 17, 1959, I went to your office to make a complaint against Ester James, 1744 Amsterdam Avenue, for the crime of extortion. You were on vacation at the time, and I was referred to the office of Mr. Nielson. In his office I talked with Lieutenants Quinlan and Deegan, and gave them information to the effect that my business partner, Freddie Fredricks, was paying Mrs. James to prevent her from exposing our gambling activities. In addition to making this complaint, I gave them the names of other gamblers who were also paying Mrs. James not to expose them. When these were called, they, in turn, named others from whom this woman had extorted money under threat of exposure.

"During the time that Lieutenants Quinlan and Deegan handled the investigation, they were both honest and sincere in their approach toward the complainants. They were only concerned with doing a thorough police job of investigation. I am sure that they would have completed the job, long since, if they had been allowed to continue. However, the investigation has slowed down, and it appears that justice will be defeated, due to the untimely intervention of Assistant Chief Inspector James Nidds.

"Neither I nor any of the other complainants against Ester James wanted Mr. Nidds to participate in the investigation. Our reason for not wanting him to participate is that Ester James has been an informant for Mr. Nidds for more than 3 years. And for the additional reason, that Mr. Nidds had been informed on two occasions by Carlos Duran, one of the complainants against Mrs. James, that she had extorted money from him. In each instance the information was ignored by Mr. Nidds. It is my considered opinion that his failure to check on the woman, subsequent to the complaint of Duran, is either an act of omission or commission with respect to the duties of his office.

"I believe that the men working on the investigation, under the command of Mr. Nidds, are not sincere and are conducting a pseudo-investigation. It seems that their purpose is to sabotage the investigation, and to whitewash the charges that have been made against Ester James. Some of the statements made by these investigators are seething with intimidation. Complainants have been told, if you prosecute the woman and convict her, she can counter and have you prosecuted for income tax evasion. Another complainant was threatened with a punch in the mouth, when he refuted a statement made by an investigator. Who is shielding whom?

"No police officer should be allowed to shield a felon. It is my understanding that the function of a police officer, even an assistant chief inspector, is to keep the peace. He cannot sit in judgment upon persons accused of crime and personally decide their guilt or innocence. That power has been delegated to the courts by our Constitution. Neither Mr. Nidds nor the men working under his command are above the law. They, too, are bound by its precepts. In the present case, they are under a duty to see to it that justice is not defeated.

"The people who have complained against this woman, and many others who would like to complain against her, do not profess to be angels. They are gamblers and they admit it. All of them, at one time or another, have been arrested, arraigned, and convicted for the crime of policy. This, however, does not give anyone the right to extort money from them. Ester James found that gamblers were easy prey, because of their willingness to pay to avoid being exposed. Their crime, under the law, is a misdemeanor, but extorting money under threat of exposure is a felony.

"All of the complainants against Ester James are willing to testify under oath, if Mr. Nidds will allow them to do so. Many of them are afraid to give him information against her, because they believe that he is trying to protect her. I know that the investigation is doomed to failure, if it continues under his direction.

"Unless your office can close out this investigation, I will be forced to take my case to the press.

"Respectfully yours,

"HARLESTON PATTERSON."

Mr. Speaker, I would like to also say that after an intensive search we believe we have now found another bagman for the police department of New York. You will recall that I mentioned previously that the former bagman was an ex-police sergeant, Joseph Luberda. Judge Mullen, in sentencing him for 2 years, said that he was the bagman, and the assistant district attorney to District Attorney Frank Hogan charged before the grand jury that he was the bagman.

Since then we have been trying to find out who is the new bagman for the police department. I believe I now have his name and his address. The salary of a police sergeant runs about \$7,000 a year. I have now the name of a police sergeant who lives luxuriously in New Jersey. He has a very impressive home, including a private swimming pool. The house is a house that bespeaks a man of substantial income. It is located on Taylor Mill Road in Englishtown, N.J. The name of this police sergeant is Steve DeRosa. He is now attached to the police academy. But even though he is attached to the police academy he is seen in my district around the first of each month visiting all the places that I have named as number drops and many others. There is no reason why an officer in the police academy should at any time visit any other precinct and especially the same precinct each month, going only to those places that have already been named



by me as numbers headquarters. If this is done, then there must be some connection. The fact that he has this luxurious house with a swimming pool in the high-income bracket area in New Jersey shows that he is getting some income other than \$7,000 a year.

"NEW YORK STATE CRIME COMMISSION,  
New York, N.Y."

"DEAR SIRS: I believe that it would be of interest to the commission to know that Police Sgt. Steve DeRosa is the counterpart of former Police Sgt. Joseph Luberta. If the commission will recall Sergeant Luberta was arrested in Rockland County last spring. During his trial for contempt, in which he was convicted, Luberta was referred to by the district attorney as a 'bagman.'

"Sergeant DeRosa is a member of the police department, and at present he is attached to the police academy. His duties at the academy, however, do not conflict with his duties as a 'bagman.' He attends to his graft collecting activities between the 1st and 3d of the month, visiting all of the places named by Congressman POWELL located within the boundaries of the seventh division.

"The graft collected by DeRosa is carried on his person in sealed envelopes. Each envelope bears a notation which indicates the amount of money it contains, the person from whom it was received and the office to which it is to be delivered. In addition to these envelopes he carries a list, similar to Luberta's, which shows the status of the gamblers from whom money is collected. According to the list, each gambler is either paid up, late, or dropped. The principal client and chief beneficiary of the nefarious services rendered by the sergeant is the Borough Headquarters Manhattan West.

"In the refreshing atmosphere of his New Jersey mansion the sergeant has surrounded himself with all the luxuries of life. These creature comforts bespeak a man of good taste and substantial income. The house is located on Taylor Mill Road, Englishtown, and is complete with every modern convenience, including a swimming pool. It would be impossible to maintain this place on the scanty salary of a police sergeant.

"Respectfully yours,

"TAXPAYER."

Also I have had sent to me anonymously—it arrived today—a copy of a complaint made to the New York State Crime Commission. This complaint lists the exact amounts of money paid off each month by the numbers banker to the various sections of the police force of New York. Each numbers banker has to pay from \$2,500 to \$3,000 a month in protection ranging from the top of the division on down to the lieutenants, sergeants, uniformed officers, two shifts of radio cars, all the detective squad including plainclothesmen, lieutenants, and sergeants. I submit this as a copy of a complaint already made to the New York State Crime Commission, for the Record, today.

(The matter referred to is as follows:)

"To operate with protection all policy spots are required to have a contract with the various offices of the police department. Such a contract is generally referred to as a 'pad.' All pads are due on the 1st of the month, and must be paid not later than the 3d.

"The list below is a breakdown of a policy pad. The totals that are followed by an asterisk (\*) vary in proportion to the number of men assigned to the precinct. The total cost of a pad may reach as high as \$3,000 a month, due to fluctuations in the number of men that are carried by a given office.

"Division.....	\$420
Borough headquarters.....	275
Police commissioner.....	275
First deputy police commissioner.....	275
Chief inspector.....	275

#### "PRECINCT

"Captain.....	\$50
23 sergeants at \$10.....	230*
8 lieutenants.....	160*
Uniformed officers on post.....	192*
Radio cars (2 shifts).....	192

#### "DETECTIVE SQUAD

"33 detectives.....	330*
Detective lieutenant.....	50*
Detective sergeant.....	25

"Total..... 2,749

"Officers on post and officers in radio cars are paid daily, all others are paid, in advance, monthly."

I would like also to point out that the president of the Policemen's Benevolent Association of New York—the man elected by the 24,000 members as their president—whose name is John Cacasse, was on television with our colleague, the gentleman from New York [Mr. CELLER]. Before Mr. CELLER and the distinguished Republican State senator of New York, McNeal Mitchell, Cacasse said that Mr. Kennedy has in New York City brought the morale of the police department to a new low. He is trying to "dog the men into submission."

He said that there is a compulsory arrest quota for each policeman in New York. Senator Mitchell said:

"Spell that out. You mean that the police are given a quota as to how many arrests they are to make?"

And the president of the policemen's benevolent association, Mr. Cacasse, said:

"Yes; how many arrests and what kind every month, and they are told, if you don't do this, there are 4,000 men waiting to take your job."

When I began this crusade there were people saying, "Why argue against the numbers? Everybody gambles." That may be true, but we do not want gambling to be the backbone of the narcotics. I do not believe there is any man who is in favor of that except the gangsters themselves.

Since I began this crusade I have been working hand in glove with the Narcotics Division of our Federal Government. There are special agents working in New York now on the information I have received.

There is a pattern of collaboration between the numbers bankers, the Mafia, the syndicate, the combine, and the narcotics peddlers. Certain arrests have been made which indicate that both numbers and narcotics are being operated by the same groups.

I should like to point out that one combination of thugs has just been revealed to me. It is a combination called Sam and Mannie. It operates drugs and numbers together, with headquarters at 310 St. Nicholas Avenue, 325 West 126th Street, and 303 West 106th Street.

When a James Russell came to my church two Sundays ago he was scared to death because these two men, Sam and Mannie, thought he was conveying information to me. He was not. I never heard of him. He came to me and begged me to protect him. The result is that this past Friday night James Russell was badly beaten and is in serious shape. In 1956 a man that worked with them by the name of Charles Turner was also beaten by Mannie and Sam, and later his body was found floating in the East River in the Harlem area.

Yet in the face of all this the police commissioner of New York refuses to move, refuses to do anything. All he does is attack me personally. But here are the facts; I have presented them week after week, and I will present them as long as I have strength.

I am now going to name, in addition to those I have named, 18 more places operating in the Puerto Rican area.

46 East 112th Street. Grocery store, Mr. Boyer, who is the owner and banker.

124 East 110th Street, apartment 6, Mr. Juan Soto, controller.

115 East 110th Street, a candy store, where the controller's name is Serpa.

134 East 110th Street. Grocery store, Juan Soto is the controller there and a collector. 1620 Madison Avenue, where Santiago Rodriguez operates as a collector.

123-127 East 110th Street, where Miguel Cordero operates as a collector.

25 East 105th Street, apartment 43, where Petra operates as a collector.

133 East 109th Street, where Luiz operates in a grocery store as a collector.

65 East 110th Street, apartment 2. They sell heroin and also collect numbers—narcotics and numbers.

18 East 105th Street. There is a controller operating on the ground floor front.

139 East 110th Street, a collector operating out of a restaurant.

83 East 111th Street. There is a butcher store there where a collector operates.

1861 Lexington Avenue. There is a restaurant where the father of Julia Rosa operates as a collector.

1860 Lexington Avenue. Phillip Blake operates as a banker at a bakery.

25 East 105th Street. There is a grocery store where there is a collector.

18 East 105th Street, a candy store where Serafina is the controller and the owner.

87 East 111th Street. There is a restaurant there where policeman MacDonald knows everything connected with that.

112-114 East 111th Street. At the front apartment on the right side as you go in there is a controller operating.

This does not mean all of these addresses are owned by the numbers gangsters. The owners of these stores and restaurants and apartments are terrified, in many instances, by these people and so they are operating out of their premises, even though the owners do not desire to cooperate with them.

I will continue next week with more information from the Narcotic Division, and I trust by that time from the New York State Commission Against Crime.

Again I ask, what is Mr. Kennedy going to do? When is the mayor going to put into office a commissioner who will not allow his men to do business with these narcotics and numbers racketeers? When will the vast majority of our police department have their morale restored?

[From the CONGRESSIONAL RECORD, Mar. 2, 1960]

#### THE IMMORALITY OF THE NEW YORK POLICE DEPARTMENT HEADQUARTERS

Mr. POWELL. Mr. Speaker, for the past 9 weeks I have been bringing before this body the shocking situation of immorality in our Police Department of New York City and the boldness of the Mafia, the syndicate and the combine in flaunting the law by operating gambling and narcotics with the condonement of some members of the police department.

On last Thursday I introduced what I thought was the new "bagman" in the policy racket, the bagman for the Police Department of New York, Police Sgt. Stephen DeRosa. As the RECORD indicates, I produced this information on the basis of a carbon copy of a complaint made to the New York State Crime Commission.

It may be of interest to the House and I am sure to the CONGRESSIONAL RECORD that Sgt. Stephen DeRosa resigned suddenly from the police department that night, that he refused to take with him his terminal leave of \$700 because if he had done so he would have had to stay under the jurisdiction of the police department, and when brought before the grand jury after appearing for 10 minutes, he pleaded exhaustion.

The New York Post immediately began this last Monday a series of articles on the

policy racket in New York, in which they charged without benefit of immunity that millions have been paid out to the Police Department of New York to protect the numbers game.

Mr. Speaker, I ask unanimous consent that two of these articles may be printed at this point.

Mr. HOFFMAN of Michigan. Reserving the right to object, Mr. Speaker, what is the purport of it? Is it exposing corruption in the New York Police Department?

Mr. POWELL. Yes, sir; detailed.

Mr. HOFFMAN of Michigan. I have no objection.

The SPEAKER pro tempore. Without objection, the request of the gentleman from New York is granted.

There was no objection.

"[From the New York Post, Feb. 29, 1960]

"INSIDE THE POLICY RACKET: MILLIONS IN PAY-OFFS TO COPS—ARTICLE 1

"(By Ted Poston with Alfred Hendricks, Irving Lieberman and Richard Montague)

"This is the story of the pad.

"It is the story of a multi-million-dollar collaboration between members of the police vice squad and powerful policy barons, many of them with Mafia connections, to control and perpetuate the numbers racket in the five boroughs.

"It is the story of day-by-day, week-by-week, month-by-month graft which is so vast as to stagger the imagination of the men actually on the take.

"Before we tell the story, let us make one point clear. Not all police officers in the various divisions of the police department are venal. Most of the men are honest enforcers of the law—even in areas where the policy racket flourishes. But this is not to minimize the effect on department morale where the minority fattens on graft in the open view of honest policemen—and the public.

"Veteran police officials told the Post during this newspaper's investigation of the policy racket that there are men who have accumulated so much money from the pad that they can scarcely find ways to spend it without getting in trouble. There are others who are trying desperately to get out of the department before the bubble bursts, but their superiors won't let them.

"And there are others, these officials say, who never rose above the rank of plainclothesman before they retired but now own prosperous businesses in the South and West—businesses set up with their own capital.

"What is the pad?

"The pad is the police-approved list of spots or locations where 'official protection' is guaranteed in the 6-day-a-week operation of the numbers racket.

"A spot might be a grocery store or a tailor shop, a luncheonette or a poolroom. It might be a bank of elevators in a Wall Street office building. It might be an elevator or a newsstand in the garment center.

"It can be any agreed-upon place where a numbers player can openly place his daily wager without being molested by the cops. It might be even a specified hallway in a Harlem tenement.

"A spot or location, however, is not to be confused with a policy bank. A bank may—and many of them do—have a score of spots in just one police precinct. But each spot must be approved by the police for the pad. And each spot on the pad must be paid for in cash.

"And who shares in fixed fees collected for this legal operation of an illegal racket? The payoffs are not limited to vice squad plainclothesmen assigned to the suppression of vice and gambling but are distributed regularly to sergeants, lieutenants, captains, and, in many cases, to some of their superiors.

"This is how the cash flows:

"The cop on the beat—low man on the totem pole—collects from each spot on the pad in his area daily. There are three daily shifts; each cop on each shift makes his own collection.

"The two men in the squad car whose patrol includes the pad collect their blanket payment weekly. This frees them from the task of daily collection.

"The men on the take in the precincts, the divisions, the borough commands, and the special squads, on up to officials in police headquarters itself, receive their share of the payoffs from their own special pickup men once each month.

"To operate on a full pad—that is, to buy protection from the bottom to the top—costs each spot, even if it's just a tenement hallway, about \$2,500 a month. The tariff is scaled proportionately higher for those spots and locations where the daily play is greater.

"On the waterfront

"And here is why veteran police officials call the graft take astronomical:

"The Post investigation of just 90 approved spots in a single section of Harlem indicated that specified payments to the police involved exceeded \$220,000 a month, or an annual take of more than \$2,500,000.

"But you must remember," one official expert told the Post, "that, contrary to popular belief, the numbers play in Harlem comprises only a fraction of the daily play in all boroughs. You have to multiply the Harlem take many times to get anywhere near the real figure for the 'ice' paid out by policy.

"There are 80 precincts in New York City, and in my experience in all 5 boroughs, I have not found a single one in which a pad for policy isn't maintained in one form or another.

"Of course, Harlem is the happy hunting ground for the boys who get greedy. They can get their regular take from the operators of the pad and their shakedown from some of the small fry for an additional taste—something extra—without risking too much of a squawk."

"The Post began digging into the numbers game in January after Representative ADAM CLAYTON POWELL charged that the police in Harlem were running Negro bankers out of business and turning the game over to whites—mainly Italians, although POWELL also spoke of Jewish policy racketeers in one speech from his Harlem pulpit.

"The inquiry spread to all sections of the city as it became apparent that Harlem furnished only a fraction of the astounding sums bet daily on a sucker's game.

"The Post team established that the gross numbers business written every day on the waterfront—in Manhattan, in Brooklyn, on Staten Island—exceeds Harlem's action on its best days. They also found that it was easier to get down on the figure in any section of the garment center at that moment than it was to get similar action on, say, Lenox Avenue. (The heat happened to be on uptown, of course, as a result of POWELL's blasts at the police from his pulpit and on the floor of Congress.)

"In staid Wall Street, few people had to walk further than a designated elevator or a newsstand in his building or around the corner to make a daily bet. Such big numbers bet are placed in the financial district that the total play there appears to exceed the entire take in the Bedford-Stuyvesant section of Brooklyn.

"The Bronx—once the stamping ground of the late Dutch Schultz—was found to be organized into a tightly closed duchy which probably would have made the Dutchman himself proud.

"Most New Yorkers are vaguely familiar with the numbers game, certainly one of the simplest forms of mass gambling ever devised.

"A penny-ante game?

"The bettor takes a 1,000-to-1 chance that he can pick a set of 3 digits anywhere between 000 and 999 which will appear in an agreed-upon tabulation at a racetrack, clearinghouse, or elsewhere. If he wins, the most he can get is 600 to 1 (really 599 to 1, since the original wager is included in the payoff). Some banks pay as little as 300 to 1 in the case of certain numbers which the policy operators consider 'hot' at a given time.

"The general conception (or misconception) is that the numbers racket is a harmless little game dreamed up in Harlem and played only by poor people who hope to cash 600-to-1 bets on pennies and nickles filched from their relief allotments. The newspapers down through the years have fortified this conception by calling the game 'poor man's policy,' 'the welfare client's Wall Street,' 'the dream of the destitute,' or 'the opiate of the paupers.'

"Nothing could be further from today's truth. And no one knows it better than those vice squad cops who profit by it.

"For more than a quarter of a century, the police brass has been estimating that New Yorkers bet an average of \$100 million a year on the numbers. That figure may have been valid back in 1935; the gross at that time did contain a lot of penny, nickel, and dime bets on the daily lottery.

"But those days are gone forever.

"The night number

"Today's numbers bets usually begin at a quarter. A flat \$1 bet is no longer unusual. Regular \$10 bets are accepted by some collectors, and the sky is the limit where the larger banks are concerned.

"Of course, a longtime addict can get down a nickel or dime bet, or even a series of bets for pennies, but most banks' regular operators scorn such wagers whenever possible.

"One authoritative source, who has watched the phenomenal growth of the game over the past quarter century, said frankly:

"Nobody can really know how much money is bet on the numbers yearly, not even the big operators or the police themselves.

"But it is my opinion that the annual take in the five boroughs here is closer to a quarter billion dollars than to the \$100 million figure so commonly used."

"He cited reasons for his conclusion.

"Back in 1935," he recalled, "there was only one official number for all boroughs. It was based then, as now, on the three figures derived from the total parimutuel bets on the third, fifth, and seventh races at a specified racetrack (Hialeah now).

"But in Brooklyn, for instance, the player can bet on two sets of numbers every day—the usual one based on the third, fifth, and seventh races, and a brandnew number based on the total parimutuel handled at the track that same day."

"This Post informant cited another reason why he believed that the daily take from numbers had doubled or even tripled during recent years.

"In the old days," he said, "there was only the 'day number' available. I mean that the wagers were only paid off on races run during the daytime. Now there is also a 'night' number for a large part of the year.

"I think this is almost exclusively a New York development, but night numbers are taken daily for the full run of the trotting races at Yonkers and Roosevelt Raceways.

"Again, no one except the policy banks which book the night numbers can know how much is wagered, but the night numbers, for the months they run, probably take in almost as much as the day game took in in 1935."

"Single action

"There is also a variation of the numbers game which has added to the 'racket's' gross.



This innovation, first popular around 1940, is called single action and permits the player to make individual bets on each of the three separate digits composing that day's full figure.

"Say, for instance, that the player has already made his bets for the day on the number 671. He then can make single action bets—the payoff is 8 to 1—that the first number that day will be 6 or the second number will be 7, or the third will be 1.

"Single action is most popular in areas of Negro and Puerto Rican concentration and is often banked and operated by the runners and collectors in the employ of the big policy banks.

"One former policy banker, forced out of business by the rising costs of the pad, operated recently on single action alone. He estimated that single action, controlled mainly by Negroes, grosses between \$15 million and \$25 million a year.

"The big white banks haven't moved in on single action," he said, "mainly because it's too complicated to handle and they're afraid they might get cheated. There's nothing too complicated about it for the cops, though. Nobody cheats them. You've got to get on the pad to stay in business. And if the bite gets so big it drives you out of business, that's just too bad for you."

"[From the New York Post, Mar. 1, 1960]

"INSIDE THE POLICY RACKET: 'PAD' LISTS PAYOFF RATES—ARTICLE II

"(By Ted Poston with Alfred Hendricks, Irving Lieberman, and Richard Montague)

"If you write \$1,000 worth of numbers a day," a recently retired policy operator said bitterly, "then the first 12 days of the month you work for the cops.

"The cops are the only ones who are guaranteed to make their take (profit, that is) no matter what happens."

"The operator was discussing the pad, the list of spots and locations in all five boroughs sanctioned by corrupt policemen, where the mobs behind the numbers racket are permitted to operate wide open 6 days a week in return for specified payoffs totaling millions upon millions of dollars a year.

"Here, in detail for the first time, is what policy operators must pay crooked cops to operate just one 'full open spot'—that is, an agreed-upon location where numbers bets may be handled without police molestation:

"Three hundred dollars a month to a squad connected with high-echelon officialdom, with \$25 of this going to the 'bag man,' who is usually a retired cop like ex-Sgt. Joseph Luberda.

"Three hundred dollars a month to the group connected with the next highest official, again with \$25 going to the 'bag man.'

"Three hundred dollars a month to the ranking squad in the department hierarchy. This sum may often be picked up by a member of the squad, obviating the \$25 cut for a 'bag man.'

"Three hundred dollars a month to a group operating out of a top office, based on geographical location.

"Three hundred and fifty dollars to \$615 a month to a smaller geographic subdivision office.

"The \$350 figure is the basic sum for all such groups in the city, but the \$615 figure was cited as the current pad in one group which covers several precincts.

"Police operating from the smaller subdivision, which now has some 30-odd plainclothesmen, originally set their price at \$350 monthly also. But the bite has gone up twice—first to \$470 and then to \$615 a month because of policy scandals and a wholesale transfer of members of the old squad in one of Police Commissioner Stephen Kennedy's periodic shakeups.

"But back to the monthly payments for the operation of a 'spot,' which, not to be con-

fused with a policy bank, may be merely a Brooklyn grocery store, a Staten Island tailor shop, a Wall Street newsstand, a garment center elevator, or even an agreed-upon hallway in a Harlem apartment.

"To be on the pad for a 'full open spot,' the operators must also pay, on top of what is listed above:

"Two hundred and fifty dollars a month to be divided among detectives in the precinct where the spot is located.

"Ten dollars a month for each of the precinct lieutenants involved.

"One hundred dollars a month to be split among the racket precinct sergeants.

"If a precinct captain must be paid, the sum varies, but it is usually about \$75 per month per spot. And from this sum, the captain must take care of his own 'bagman' and a precinct warrant officer.

"But this doesn't end the payments. For each spot—and some banks have as many as 20 spots or more in a single precinct—the cops also collect \$35 a week to be split between the two patrolmen assigned to the squad cars on the beat. These men pick up their own take at a specified place in person weekly.

"The final 'official' payment for the pad goes to the cop on the beat.

"It is \$2 a day, accepted personally, and paid to each of the beat cops on the three shifts from Monday through Saturday. Thus, a cop with only a half dozen spots on his beat is assured of at least \$12 each day in 'legal payments.'

"One policy operator, who discussed the pad, was asked why the cop on the beat had to be paid.

"He knows you are on the pad," the reporter said, "and he knows his superiors may raise hell if he arrests you. So why pay?"

"The policyman smiles at the question.

"Of course he knows he can't arrest me," he said, "and I know it too. But he doesn't have to. All he needs to do is just stand in front of my spot and nobody is going to come in and play numbers as long as a uniformed cop is standing out front."

"So just slip him his two bucks and send him on his way. After all, he's got to visit other spots on his beat for his taste also. You don't want to be a bad fellow by delaying this messenger on the swift completion of his appointed rounds."

"It was not easy to flush out the exact details of the pad, although Post reporters learned about it shortly after Representative ADAM CLAYTON POWELL charged that Harlem police were turning the Negro bankers' business over to whites—mainly Italians.

"The 10-week investigation started in Harlem but quickly extended to all five boroughs since even preliminary study showed that the numbers game, like the organized graft and corruption which it spawned, was not just a Harlem pastime but citywide.

"The existence of the pad was well known throughout the multi-million-dollar industry. Even before Joseph Luberda, the retired cop, was picked up drunk with the pad for one section of Harlem, everyone in the industry knew that such lists existed.

"Bigger than you think"

"And Luberda, now serving a contempt term in prison for refusing to name the police squads and officials for whom he had been collecting, admitted that much when asked before the grand jury:

"In other words, police officers would go around to different places and visit these people who are operating these gambling places and collect money in return for their refraining from interfering with their operations?"

"Yes, sir," said Luberda, "could be."

"But few known policy operators in Harlem or elsewhere were willing to go into details on the actual pad in the early days of the Post's investigation.

"Even men who had spent their lives in the game only to be reduced from bankers to controllers and even down to runners because of increasing vice squad demands were reluctant to discuss the pad.

"Similarly, honest members of the police department—and the vast majority on the force have little opportunity to get on the pad—would admit the existence of the organized graft and corruption involving the numbers racket, but would give no details.

"One police official said frankly:

"If you knew the actual amount of money involved, you wouldn't believe it. And even if you believed it, the Post wouldn't dare print it. The thing is just that big."

"One longtime former banker whose bank has been taken over by the East Side Harlem mob, which now dominates the citywide game, asked a reporter half jokingly:

"You want to be killed?"

"Then, more soberly, he remarked: 'Look, this thing is much bigger than you think. Anybody who talks about it too much is out of business for good. And I'm too old to learn anything else now.'

"As the Post team continued digging, however, it became obvious that the police, too, had learned of their inquiries.

"Two men who had discussed the payoffs quite frankly with reporters suddenly decided to leave town—one on an extended Caribbean vacation. A former banker who now has a legitimate business was called in by a member of a vice squad inspector's staff and questioned about the passing presence of a Post reporter in his establishment.

"The 'official' list

"If any of you fellows go around shooting off your mouth," he was told, "we are going to close down the whole operation."

"The suspected men reportedly retorted: 'And then what will you do? Starve to death?'"

"A few days after this incident, a source close to an influential police official called one Post reporter to inform him that his home telephone had been tapped.

"There's nothing you can do about it, but just be careful," he said. "It's not a legal tap and nobody in the department or the telephone company will admit that it exists, no matter how much hell the Post might raise about it. But the boys know what you are doing and they want to know how much you know."

"The Post reporters were able to obtain pads first from one source in one borough and then from two other sources in another and the payoff lists checked in all major details.

"Once confronted with the actual schedule of police-set payments, several policy operators confirmed the figures. Then well-informed sources familiar with the department not only confirmed the 'official pad' but filled in other details of the vice squad's lucrative participation in the rich numbers game.

"A police-connected source, who had never denied the existence of the 'pad' but had refused to discuss its operations until the Post obtained the 'official' list of graft payments from other sources, explained how the money is distributed to members of the ring.

"Beginning in the precinct," he said "and extending on up the line through the special squads, the take is divided on the basis of shares. The plainclothesmen involved each get the basic share with two or more shares being given monthly to their superiors.

"Take the ——— division, for instance, where the monthly take is listed at \$615 per spot. There are some 30 plainclothesmen there now and each gets a basic share of \$15 per spot. The lieutenants' share comes to \$25.

"Now take the ——— division, which covers three precincts, has 50 spots on its pad—and you and I both know that there are far more than 50 spots involved in that area.

But take 50 spots as an example. That means that each of the plainclothesmen who are on the take there gets \$750 each a month for these 50 spots alone and the lieutenants involved are in for \$1,250 each.

"The source, stressing the point that not all policemen share in the policy graft ring, added:

"I'm not saying that every man in the division is on the pad. But that makes little difference to the operators of the approved spots. The payoff must be made on the basis of the personnel assigned to the division, to the precinct, and to the special squads above them. How it is split up in the squad is sometimes another matter."

"Another source familiar with another borough furnished further light on the matter as he described 'pay day' in one station house.

"I had gone there on a matter not connected in any way with vice or gambling. I had to see a plainclothesman who once had been assigned to my precinct and who had some information about a suspect in a burglary ring.

"We were sitting there in the squadroom discussing my case when a fellow pushed open the door and yelled, 'Pay day.' And everybody stopped what they were doing as this fellow went around the room calling out each name and taking sealed envelopes from a box under his arm.

"When the heat is on

"The plainclothesman with whom I was talking broke off our conversation and took his envelope. He split it open right in front of me and started counting the crisp sheaf of \$10 and \$20 bills. I stopped counting when he passed \$180. But he finally finished his count and resumed our conversation as if nothing had happened."

"The source added:

"Of course this happened several years ago. I don't think they are quite as open about it now, especially when the heat is on. The fact is, the take has grown so large now that they are forced to take more precautions, for they all know that a real bad break can eventually blow them and the whole department sky high."

"One retired banker—and most of them claim retirement in any discussion of the racket—reinforced the suggestion that the police are not always honest with the pad.

"For several months when I was active," he recalled, "they had me down for 31 men in the division office. One of the plainclothesmen involved was a good friend of mine. He finally felt that they were cheating him on his share, so he came and told me the truth."

"There were really only 26 men on my pad for that division, and either the boss or the bagman had been taking me every month for an extra \$75 a spot, and I had several going then."

"I tried to see the brass about it but that was no dice. The big guys always avoid any kind of contact which would tip their hands. But the next time the bagman came around, I squawked to him. He denied that he was ringing in five extra shares a spot on my pad but the next month he only picked up for 26 men."

"Other policy operators pointed out that only the real big banks can afford the full open 'spot' payments for their various spots because of the amount of police graft involved. One Harlem banker, also claiming retirement, complained:

"I don't think that there has been a Negro banker—what few there are of us left—on a full pad for the last few years."

"Most of us are down from the beat cop on through the precinct, and in some cases, most cases I would say, for the division also."

"I'm told you can still make a living at this—if you don't get too big, although you are still liable to raids by all of the guys on

the special squads above the division level if they are not getting their taste."

"The real danger

"There was a time when you could make a personal pad with individual members of these squads, but the big boys cut that out. Now all contracts must be made with the squad itself in behalf of all those involved and any plainclothesman making a personal deal will find himself busted to uniform in a minute."

"But the real danger in being on only a partial pad is that you can't afford to expand too much. If the local cops find you've got a real good business, they'll try to force you to give the business to one of the East Side mob."

"This former banker, a Negro, was reminded of POWELL's charge that the cops were hounding Negro bankers while protecting the Italian big shots."

"There's some truth in what he says," the source observed, "but I don't think it's just racial. You see, these cops know that the East Side mob can afford a full open pad for each of their spots. And in many cases the banks will collect the payoff in a lump sum and give it in bulk to the payoff men."

"No, I don't think it's all racial. From the cop's point of view, it's just more efficient business."

MR. POWELL. Mr. Speaker, I would like to congratulate the New York Post because for 9 weeks I have been trying to get some responsible institution in New York to take up the cudgel and go into this. Here the Post has done it under the leadership of a crack team of reporters—Ted Poston, Alfred Hendricks, Irving Lieberman, and Richard Montague.

Here they state without benefit of immunity:

"This is the story of a multi-million-dollar collaboration between the members of the police vice squad and the powerful barons, many of them with Mafia connections, to control and perpetuate the numbers racket in the five boroughs. This is the story of the day-to-day, week-to-week, and month-to-month graft which is so vast as to stagger the imagination—men who are actually on the take."

"Before we tell the story, let us make one point clear. Not all the police officers in the various divisions of the police department are venal. Most of the men are honest enforcers of the law even in areas where the policy racket flourishes. But this is not to minimize the effect on department morale where the minority fatten on graft in the open view of honest policemen and the public. Veteran police officials told the Post, during this newspaper's investigation of the policy racket, that there are men who have accumulated so much money from the numbers and from graft that they can scarcely find ways to spend it without getting into trouble. And there are others who are trying desperately to get out of the police department before the bubble bursts, but their superiors will not let them. And there are others, these officials say, who never rose above the rank of plainclothesman before they retired and now own prosperous businesses in other areas of this country, set up with their own capital."

Now, Mr. Speaker, I shall not discuss this matter further while the Post series is appearing.

I would now like to bring up another matter. In recent days a leader of the AFL-CIO made some charge regarding my fitness to be chairman of the Committee on Education and Labor if that occasion ever arises. I have never opened my mouth in reply and do not intend to do so, but I would like to just put in the RECORD these editorials, telegrams, newspaper articles, letters, and labor leaders' statements in support of me.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

MR. POWELL. Mr. Speaker, I would like to put in the RECORD this editorial from the Philadelphia Tribune.

I would like to put in this telegram from District 65 of the AFL-CIO. The secretary-treasurer signed it.

I would like to put in a telegram from the president of the Drug and Hospital Employees Union, AFL-CIO.

I would like to put in the RECORD the telegram from the Constitutional Civic League.

I would like to put in this telegram from the United Automobile Workers.

I would like to put in this telegram from the editor and publisher of the New York Amsterdam News.

I would like to put in this resolution from the United Brotherhood of Carpenters and Joiners of America, AFL-CIO.

I would like to put in this letter from the Philadelphia Post Office Clerks Union.

I would like to put in this letter from the Student Health Director of the Department of Health, Education, and Welfare.

I would like to put in this letter from the International Union of Mine, Mill, and Smelter Workers, AFL-CIO.

I would like to put in this letter from the worshipful master of the Masons (P.H.A.) of the city of New York.

I would like to put in this letter from the executive director of the Cooperative Education-Extension Service.

I would like to put in this editorial from the Pittsburgh Courier. In this editorial there are quotations in support of me from the president of the Steel Workers, the attorney for the Steel Workers, the president of the International Union of Electrical Workers, and Mr. Boyd Wilson, international representative of the United Steelworkers of America.

I would like to include in the RECORD the following editorials: From the Chicago Defender, from the Michigan Chronicle, from the Baltimore Afro-American, from the United Mine Workers Journal.

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

MR. HOFFMAN of Michigan. Reserving the right to object, Mr. Speaker, I would like to ask the gentleman if he would permit me to proceed for a minute or two to inquire as to the purpose, and whether or not there should be some objection. It depends on the purpose of the editorials.

MR. POWELL. All of these editorials and these statements from leaders of the labor movement are editorials and statements in support of me, and disagreement with Mr. George Meany, president of the AFL-CIO.

MR. HOFFMAN of Michigan. Under my reservation of objection, I would like to make this statement: Regardless of the opinion expressed in these various articles my question is this: Just what right have the writers of these articles to express opinions about the qualifications of Representatives who come here as representatives of a particular district? What business is it of theirs when they are not in that district? What right have they to dictate to the people of a district?

I recall very well the day when this House expelled a Congressman from Wisconsin. The people from Wisconsin sent him back. He was their Representative. There was nothing the House could do about it. In your opinion, people may talk but in reality it is up to the district to say who shall represent them; is it not?

MR. POWELL. Absolutely correct.

MR. HOFFMAN of Michigan. We might well look back to our own districts to justify our service here instead of trying to tell what some other Congressman should say or do.



Mr. POWELL. That is correct.

Mr. HOFFMAN of Michigan. Why should the House object to the gentleman representing his district if the people thereof choose him? Have not Members years ago sat here after conviction—after a Member being in prison—with that in mind it would appear that notwithstanding all the talk, all the criticism, it is solely a question of color, or race—why talk about one thing while thinking of another? Why yell day after day about attendance at sessions when we know all the time race is the real reason for the protest? I have no objection.

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

There was no objection.

The matters referred to are as follows:

"[From the Philadelphia Tribune]

"Tremendous pressure is being used to prevent North Carolina's Representative Graham A. Barden from retiring as a Member of the House and chairman of its Education and Labor Committee.

"There is great consternation among the people because if Barden steps down, ADAM CLAYTON POWELL, of New York, is almost certain to move up as chairman of that powerful committee.

"Why this terrifying concern?

"ADAM POWELL is a Negro.

"He will ascend to the chairmanship of the committee under the same seniority rules that made Barden chairman.

"Length of service, not ability, is the standard of measurement for chairmanships in the highest legislative body in the world.

"The New York Times, which has the reputation of being the greatest newspaper in the world pontificates: 'Now the impending retirement of Representative Barden, of North Carolina, from the House and from chairmanship of the Education Committee, opens the way for the almost certain accession to this powerful post of the Congressman who, to southern Democrats, is public enemy No. 1. But to compound the irony in an ironic situation, it is not only the southern Democratic bloc that would like to prevent the chairmanship from going to Mr. POWELL.'

"Many liberals,' says the Times, 'who share Mr. POWELL's views on integration nevertheless believe that the combination of his notably racist attitudes, his miserable record as a legislator, and his extreme absenteeism all tend to disqualify him.'

"The editorial concludes: 'Mr. POWELL is not the kind of legislator who ought to be chairman of a committee of the Congress; but he will be unless and until the dangerously anachronistic seniority system is modified enough to permit some choice in the selection of committee chairmen.'

"While there is no intent here to defend the record of Mr. POWELL as a legislator, the fact remains that the voters of his district appear to be satisfied with his services, having elected him again and again and again. Further, none of the citizens in his district are denied the right to vote by trickery and force as is the case in the election of many honorable men who are chairmen of committees in both Houses of the Congress.

"It is significant that in the 1958 election Mr. POWELL received 56,383 votes while Mr. Barden received only 22,426.

"The Times shudders with cold shivers because of Mr. POWELL's 'racist attitudes.'

"The Republicans are using the possibility of a Negro becoming chairman of a powerful committee in an effort to scare voters into electing a Republican Congress.

"Great newspapers across the country and other media of communications have projected the idea that a Negro becoming chairman is a calamity worse than a destructive hurricane sweeping across the Nation.

"Practically every one of the 15 standing committee chairmen in the House and 12 of

the chairmen in the Senate are advocates of racism.

"They appeal to the baser emotions of the electorate and preach the gospel of white supremacy to get elected.

"It is difficult to understand why these men are considered better fitted to serve as chairmen than Mr. POWELL.

"It is conceded that POWELL uses the race issue to get votes, but in doing so he denounces those who would deny equality of opportunity to his race.

"It is hard to understand how the victims of racism can be expected to keep quiet while the culprits sit in the seats of the mighty and enjoy the affluence which flows from their preachments of racial discrimination."

"NEW YORK, N.Y., February 9, 1960.

"Congressman ADAM CLAYTON POWELL,

"House of Representatives,

"Washington, D.C.:

"The following telegram was sent to President George Meany on behalf of myself and my union: 'Your attack on Congressman POWELL as unfit for chairmanship of the Labor and Education Committee of the U.S. Congress and your labeling of him as a fomentor of race hate is shocking and unfortunate. This brings you in sharp conflict with the views of millions of Negro Americans and the majority of the members of the AFL-CIO. Such statements by you do a great disservice to the AFL-CIO and cannot be accepted as a fitting description for one so outstanding in his record on behalf of American democracy, labor, and human dignity as ADAM CLAYTON POWELL.'

"CLEVELAND ROBINSON,

"Secretary-Treasurer, District 65, RWDSU, AFL-CIO."

"NEW YORK, N.Y., February 9, 1960.

"Hon. ADAM CLAYTON POWELL,

"House Office Building,

"Washington, D.C.:

"The executive council of the hospital division of local 1199 unanimously endorses you as chairman of the House Committee on Labor and Education. Your support of the struggle of the hospital workers for first citizenship has been unceasing and effective. Your elevation to this important post will strengthen the fight of all working people, for decency, and fair treatment.

"LEON J. DAVIS,

"President, Drug & Hospital Employees Union, Local 1199, AFL-CIO."

"ROCKAWAY BEACH, N.Y.,

February 10, 1960.

"Representative ADAM CLAYTON POWELL,

"Congressman, House of Representatives,

"Washington, D.C.

DEAR CONGRESSMAN: The Constitutional Civic League, Inc., and its members are behind all of your program 100 percent. We know that you are speaking for the interest of the Negroes and Puerto Ricans in the United States and its territories and for that matter all other races of people. George Meany, president of A.F. of L.-CIO, whom is he speaking for? Certainly none of us know. Anything that is worth while having is worth fighting for and if need be dying for. That is your program. God bless you; keep the good work up.

"TONY C. THAMASS,

"President.

"Constitutional Civic League, Inc."

"CHICAGO, ILL., February 22, 1960.

"Congressman ADAM CLAYTON POWELL,

"Congressional Office Building,

"Washington, D.C.:

"The following telegram was sent to President George Meany on behalf of myself and my union: The membership meeting February 21, 1960, of local 1301, UAW, went on record and unanimously disapproved of your publicly disapproving of Congressman ADAM

CLAYTON POWELL becoming chairman of a committee that is important to labor and working men and women. We know you are entitled to your own opinion but an opinion such as this tends to drive friends in Congress from the labor party at a time when labor needs so many friends.

"JAMES MAJORS,

"Legislative Director, Local 1301, UAW."

"NEW YORK, N.Y., February 9, 1960.

"Representative ADAM CLAYTON POWELL,

"House of Representatives Office Building,

"Washington, D.C.

"SIR: The New York Amsterdam News will not sit idly by and see you attacked by Mr. George Meany, president of the AFL-CIO union. Mr. Meany for years never lifted his voice once for civil rights. He sat by, said or did nothing while his union denied Negroes the opportunities to work. Front-page editorial will appear in this week's issue of the New York Amsterdam News telling our readers what Mr. Meany and you have done for and against the advancement of Negroes and the United States.

"Very truly yours,

"C. B. POWELL,

"Editor, New York Amsterdam News."

"LOCAL UNION No. 3127, UNITED

BROTHERHOOD OF CARPENTERS &

JOINERS OF AMERICA, AFL-CIO,

"New York, N.Y.

"The officers of Local Union 3127, United Brotherhood of Carpenters and Joiners of America, AFL-CIO, having been made aware of certain derogatory comments concerning Representative ADAM CLAYTON POWELL, allegedly made by a representative of the trade union movement, do hereby publish the following resolutions:

"First. We emphatically do not subscribe to the sentiments of AFL-CIO President George Meany, and deplore the issuance and publication of this type of statement by a prominent trade unionist.

"Second. We wholeheartedly endorse Representative ADAM CLAYTON POWELL for the post of chairman of the Health, Education and Labor Committee of the House of Representatives.

"Third. We reiterate and reaffirm our sincere conviction in the honesty, integrity, intelligence, sincerity, and ability of Representative ADAM CLAYTON POWELL, who, despite severe personal attack by both reactionary and uninformed elements, has steadfastly and unswervingly devoted himself to the cause of justice, the protection of minorities and the welfare of the entire trade union movement."

"Unanimously approved this 11th day of February 1960.

"M. CHAIT,

"Secretary."

"PHILADELPHIA POST OFFICE CLERKS

UNION,

"Philadelphia, Pa., February 19, 1960.

"Hon. ADAM C. POWELL, Jr.,

"House Office Building,

"Washington, D.C.

"DEAR MR. POWELL: The possibility that you may become chairman of the House Education and Labor Committee in the next Congress has touched off quite a furor across this Nation. North, South, East, and West the bigots are having a field day.

"My view is that because you really represent the people who elected you, that you are not an 'Uncle Tom,' that you owe allegiance to no party or organization, that you will not be pushed around by the southern demagogues, you have become very unpopular with some of your colleagues and some of the press.

"From here, it appears you are fighting the battle for the dignity of man, alone.

"Enclosed you will find a copy of a letter sent by me to Philadelphia newspapers, and some of the clippings from the papers. The

Sunday Inquirer (liberal) has a circulation of far in excess of 1 million copies.

"I shall plan to renew acquaintance with you during our legislative rally next month. With best wishes for a long, successful and profitable career, I remain,

"Respectfully,

"JAMES C. CAREY,  
"Legislative Representative."

"DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, FREEDMEN'S HOSPITAL,

"Washington, D.C., February 18, 1960.

"Hon. Congressman ADAM CLAYTON POWELL,  
"Old House Office Building,  
"Washington, D.C.

"DEAR CONGRESSMAN POWELL: Because of the magnificent fight you have consistently and ceaselessly waged against injustices inflicted on Negroes throughout the United States, this letter of highest plaudit is being sent you.

"Many of us marvel at your gallant tenacity and forthright candor through the years in specifically speaking out and up against demagogic bigots who attempt to deny Negro Americans their basic rights as citizens in a free society because of their race, color, and creed. Basic principles of democracy are too frequently abused, embarrassed, and ignored by certain diehards who know better, but will not practice what they profess in terms of such principles. Many of them seek self-aggrandizement, at the expense of minority groups, basing their untenable actions on the quicksands of political expediency, little realizing the irreparable damage inflicted upon the Negro group, let alone the adverse reflection to the national character, plus the international implications.

"We have followed your battles, particularly the recent New York City exposé and scandalous revelation evolving out of the numbers racket. The perpetrators or self-styled strongmen sanctioning this movement want to maintain the status quo stemming from their ignoble gains by waxing fat and cozy upon vulnerably insecure Negro populations in Harlem. Many of these Negroes are caught in the economic freeze and squeeze, hence become victims to and of an illusory get-rich-quick, potluck scheme of unpredictable chance. Here's hoping that your insistent focus which pinpoint the evils of this debasing system will result in facilitating abolition of this vicious racket, together with its strongmen and cohorts.

"We know that if you receive the chairmanship in the House Education Committee, you will bring the same factual, hard-hitting objectivity and inspired leadership to the monumental tasks of the immediate present, as well as imminent future; and we shall all reap the benefits in greater fairplay, increasingly significant opportunities, and progressive advancements, racially, as well as nationally, plus international overtones, in scope.

"May God bless you a thousandfold to continue the dynamically vital fight for and toward the long overdue rights' objectives belonging to all Negroes as American citizens in this great country of ours.

"Sincerely yours,

"ISADORA DENIKE,  
"Student Health Director."

"CHICAGO AMALGAMATED LOCAL 758,  
INTERNATIONAL UNION OF MINE,  
MILL & SMELTER WORKERS,

"Chicago, Ill., February 19, 1960.

"Congressman ADAM CLAYTON POWELL,  
"House Office Building,  
"Washington, D.C.

"DEAR CONGRESSMAN: The question of the possibility of your heading the Labor and Education Committee of the House of Representatives has come to our attention.

"The derogatory remarks of George Meany, president of the AFL-CIO, regarding same has also come to our attention.

"Let me say on behalf of the officers and membership of my local union that George Meany does not speak for the labor movement on this question. We feel that your appointment as chairman of this important committee will be a blessing to the labor movement and the country as a whole. We are confident that the committee will be in good hands under your chairmanship.

"Our hope is that there be more Dixiecrats retiring from such positions and very soon.

"Sincerely yours,

"JAMES PINTA,  
"Business Manager."

"New York, N.Y., February 12, 1960.

"Mr. GEORGE MEANY,  
"International President, AFL-CIO,  
"Washington, D.C.

"DEAR SIR: Apropos of your recently unwarranted blast at Congressman ADAM CLAYTON POWELL, I wish at this time to raise my voice (along with thousands of others) in a most vigorous protest.

"It seems, to me at least, that the mere mention of the decidedly obvious bias within the ranks of organized labor causes you to see 'red.' Just a short time ago when another of the advocates of truly democratic policies had the occasion to speak out against these conditions it set the stage for your first blast. Now when still another champion of the rights of the minorities calls attention to these same situations he is referred to, by you, as a 'racist.'

"Is it possible, sir, that you still are an adherent of the policy of 'stay in your place'? Or would you like to advocate the 'papa knows best' philosophy? If either of the foregoing observations is correct, I should like to suggest to you that you are doing labor a great disservice.

"In reality what you are doing is supplying grist for the enemy's mill. Did it ever occur to you that there is a lot of missionary work to be done within the ranks of organized labor, and that your infantile attitude toward the mention of these unfair practices is really doing a lot more harm than good?

"Might I respectfully suggest to you that you do a little 'soul searching,' and upon doing so I think that you will be able to see the conditions in its true perspective and then you can bestir yourself in an honest effort to remedy this situation, then your sensibilities will not be so easily disturbed.

"Finally, sir, I should like for you to know that little suggestion comes from 1 of the 16 million who just happen to want to see truly democratic practices within our ranks.

"Respectfully yours,

"CHARLES A. DARGAN."

"COOPERATIVE EDUCATION-  
EXTENSION SERVICE,

"Philadelphia, Pa., February 9, 1960.

"Mr. GEORGE MEANY,  
"President, AFL-CIO, Americana Hotel,  
"Bal Harbour, Fla.

"DEAR MR. MEANY: In your recent attack on Congressman ADAM CLAYTON POWELL, JR., the daily paper quoted you as saying that 'Representative ADAM CLAYTON POWELL, Democrat, New York, would make a 'terrible chairman' of the House Labor Committee.'

"Last September your attack was directed against another Negro leader, A. Philip Randolph; this year it is Representative POWELL. Many had hoped that the merger of the AFL with the CIO would contribute to purging the AFL and its leaders of race hatred and bigotry, with which the AFL has been identified since its inception. I am sure than many leaders of the CIO and millions of other citizens have learned with regret that this has not been the case.

"As an agent for the AFL's concept of race and religious discrimination, you seem to work under the mistaken belief that the

presidency of the unions grants you a license to carry out your secret mission to divide, exploit, and regulate the lives and expressions of 20 million American Negroes. You are a fighter with an unearned advantage, a sniper in a lofty, safe position, courageous when you can hit your victims in a cowardly manner in their hour of need, a man who cannot forget the cradle of bigotry in which he was rocked.

"I predict that your behavior will not do you any good, nor serve the cause of organized labor.

"Sincerely yours,

"SAMUEL L. EVANS,  
"Executive Director."

"[From the Pittsburgh Courier]

"(By Harold L. Keith)

"It is now evident that opposition to Congressman ADAM CLAYTON POWELL's prospective appointment to the chairmanship of the House Labor and Education Committee has tucked in its tail and taken to cover for the time being.

"When the storm broke into the open with AFL-CIO President George Meany's open criticism of Mr. POWELL, the Courier wired many of the Nation's top leaders in labor for an opinion.

"Among those heard from during the past week were President's David J. McDonald of the AFL-CIO United Steelworkers, and James B. Carey of the AFL-CIO International Union of Electrical Workers. Also heard from were USW General Counsel Arthur Goldberg, and Boyd L. Wilson, international representative of the United Steelworkers of America.

"Mr. Carey asserted: 'I am happy to give you my own longstanding sentiments on Congressman POWELL rather than my comments on someone else's attitude. First, there can be no gainsaying POWELL's splendid record in Congress since 1945 on every important issue affecting labor, civil rights and democratic liberties, and liberal legislation generally.

"In these 15 years \* \* \* in every instance with the conceivable exception of one \* \* \* POWELL has not only voted correctly on major legislation, but has fought valiantly for it in Congress and before the American people.

"His absenteeism is to be deplored and has been by labor, but most certainly there is no compulsion on us to assume that such absenteeism will continue when POWELL becomes head of one of the most critically important committees in the entire U.S. Congress.

"In conclusion, the hard, cold facts of POWELL's career in Congress define his record as eminently admirable, militantly democratic, perceptive, and courageous. The record of his career as a liberal and as a leader of public opinion must be defined in exactly the same attributes. Most important of all, I hope that ADAM POWELL will respond brilliantly to both the responsibilities and the opportunities of his new chairmanship \* \* \* serving first and foremost the American people impartially as a whole and always helpful of the national welfare and the country's future.'

"Mr. McDonald commented: 'Mr. Meany's opinion was his own and presumably based solely on Mr. POWELL's record as a Congressman. The United Steelworkers of America's record on civil rights and antidiscrimination has always been perfectly plain. We are concerned only with a man's performance, and we believe firmly that racial or religious antecedents should be neither a shield nor a barrier.'

"USW Attorney Goldberg said, 'while I have not always agreed with everything Congressman POWELL has said or done, nevertheless, I regard him to be well qualified to be chairman of the House Committee on Education and Labor.'



"Congressman POWELL is entitled to this post by virtue of his seniority, and there would be no reason whatsoever for not elevating him to the chairmanship upon Mr. Barden's retirement. In addition, the record shows that his votes on labor issues have been consistently liberal in point of view. I shall personally support his candidacy for the chairmanship."

"Mr. Wilson declared: 'On his record, Mr. POWELL as stood out as a shining knight in armor on behalf of the oppressed and the common man.'"

"The United Mine Workers of America leaped to Mr. POWELL's defense in its Journal, declaring that the New York Congressman 'is well qualified in every way to become chairman' and citing his 'fine voting record on matters of interest to working people.'"

"The UAW publication then observed, 'but for George Meany, the president of the AFL-CIO, to make a vitriolic attack on Mr. POWELL and charge that it is terrible that he is in line for the chairmanship of the Labor Committee is, to put it mildly, sheer stupidity.'"

"[From the Chicago Defender, Feb. 27, 1960]

**"OUR OPINION: REVOLT AGAINST UNION RACE BIAS"**

"The American labor movement, which has never exhibited too much interest in the plight of the Negro worker, is now faced with an incipient revolt of incalculable consequences. AFL-CIO President George Meany's attack on Representative ADAM CLAYTON POWELL, Democrat of New York, touched off a racial issue that had been in ferment for some years."

"Dissatisfaction among the federation's 1,500,000 Negro members is no longer limited to individual unions; it is widespread. Negro unionists are determined to do something about the racism that is so rampant in the federation. They see no honest, aggressive attempt by the white leadership to come to grips with this vexing issue."

"There is yet much consciousness of class interests. Efforts of the more progressive elements in the craft unions to bring about a general admission of Negroes are still being met with opposition of a number of locals under the shield of local autonomy."

"A. Philip Randolph, the learned head of the Brotherhood of Sleeping Car Porters, has been goaded almost to anger by President Meany's unrestrained display of racial bias. Randolph's reaction to the criticism leveled at Representative POWELL's racism by the president of the federation was: 'Whatever his faults, why pick on a Negro? If it is racism they are after, there are plenty of worse racists in Congress.'"

"This, however, is only one phase of the disturbed relations within the federation. There are multiple complaints about segregation and discrimination. Negroes resent their exclusion from some unions and, hence, some jobs. They condemn the practice that restricts them to unskilled, low-paying jobs."

"Another handicap is that they are barred from apprenticeship programs that would lead to higher paying jobs. With the exception of Mr. Randolph, who is now 70, Negroes are systematically excluded from positions of policymaking leadership within the unions as well as in the federation."

"There are yet unions whose constitutions limit membership to white men. However, the absence of such constitutional clauses does not mean that Negroes are admitted. Negro workers are kept out of some of the unions by tacit agreement. The Flint Glass Workers' Union, for instance, has a constitution which does not specify membership in the white race as a prerequisite to membership in the union, but it objects to Negroes universally on the ground that the pipe on which the glass is blown passes from mouth to mouth and 'no one would use it after a Negro.'"

"Some of these discriminations date as far back as 1865; and the federation has done little or nothing to remove them. Steps are being taken, under the leadership of Mr. Randolph, to fight this intolerable bias. Over 1,000 delegates will attend a founding convention in Detroit in May, to set up a Negro American Labor Council."

"The movement is spreading like a prairie fire. Chapters have been set up in New York, Chicago, Detroit, Youngstown and Cleveland, Ohio, Gary, Ind., and St. Louis. Other chapters are in the process of organization in Philadelphia, Washington, and along the west coast. The AFL-CIO leadership frowns upon the prospect of a Negro labor council challenging the ethics and behavior of established union leaders. The argument generally advanced against the council is that there is no necessity for its existence."

"But Mr. Randolph, who is sagacious and farsighted, disagrees. To him this is not only one remedy for the virus of prejudice, but the only safeguard against a serious, growing threat: Automation. This technological development finds its first victims among Negroes."

"In the first place Negroes are largely employed in kinds of work that automation is most likely to eliminate. In the second, because Negroes are barred from apprentice training, those displaced by automation have no other jobs to go to."

"For us," Randolph observed, 'this is a life-and-death struggle—a question of survival. Nothing can stop it.' Under Randolph's leadership, no doubt, the Negro American Labor Council will help to write a new chapter in the history of the American labor movement—a chapter in which equity and true democratic practices shall be the outstanding features."

"[From the Michigan Chronicle]

**"FACTS IN THE NEWS"**

"(By Orpheus C. Kerr)"

"Whether or not Congressman ADAM CLAYTON POWELL is elevated to the chairmanship of the House Labor Subcommittee, has been the subject of much talk since Representative Barden of North Carolina, quit the post."

"Now in a nutshell, the Powell situation is complicated by factors which won't quite fit into a nutshell. In the first place the Congress has to give concern to the seniority rules which are in fact the protection of all of the Members of that body."

"A simple fight based on the rules of seniority in the House could possibly be resolved without too much fuss. There is no reason to believe that POWELL's race would even enter into the picture. Congressman WILLIAM DAWSON has served as chairman of a House subcommittee for many years. His appointment was virtually accomplished without comment."

"If this be the case, what is the problem with ADAM POWELL? In the first place ADAM has practically gone around the world with his denunciations of racism in the United States. He has never hesitated to express himself in clear and unmistakable terms on practically everything which has come up involving race."

"These performances have won him no friends among the conservative elements of the Nation and have made him persona non grata with southerners both in and out of the Congress. In times of pressure and stress, whether general or personal, ADAM POWELL has not hesitated to employ racial appeals of the most demagogic type to win his point."

"And then there is the little question among Democrats about party regularity. This is the real thorn because most organizational Democrats in the Congress feel that POWELL's switch to Eisenhower in 1956 and his open break with the Democratic Party or-

ganization in New York in the last election, marks him as one who is not quite entitled to the plums which come with regularity."

"For those who feel this way there is a further problem. They have to be extremely careful that their position on elevating POWELL because of his party irregularity might be interpreted to be a rebuff because of race or because he has fought so hard for the rights of Negroes. No one in Congress doubts that POWELL himself is willing and able to make this the issue if he is denied Barden's seat."

"Even in regard to POWELL's personal difficulties with the Internal Revenue Department, his colleagues are reluctant to advance this as an issue. They know that POWELL's supporters in Harlem have long since dismissed this question as another instance of 'pressure on POWELL because he is such an outspoken fighter for Negro rights.' His reelection last year proves that his constituents would not buy this as a reason why their Congressman had been denied the chairmanship of a committee on which he holds top seniority."

"So the Powell question in a nutshell won't really fit in a nutshell and because it is so involved. Those concerned may decide that the simplest thing is to elevate him to the chairmanship and let future events take care of themselves."

"[From the Baltimore Afro-American]

**"MEANY'S BLAST IS RAPPED AS UNFAIR"**

"(By Louis Lautier)"

"The blast of George Meany, AFL-CIO president, at Representative A. CLAYTON POWELL, Harlem Democrat, was the 'unkindest cut' of all."

"Powell has an almost, if not 100 percent, voting record on labor legislation. He has supported legislation which labor wanted and has fought legislation which labor opposed—even when such measures were in the public interest."

"For example, in the last session of Congress, POWELL opposed the mild Elliott bill and the stiffer Landrum-Griffin bill, designed to correct corruption and other evils in labor unions."

"His position coincided with that of labor—he wanted no legislation at all."

"The motive for the attack appears to be in the background of Mr. Meany. The AFL-CIO president was born and reared in Harlem. His formal education was meager. He attended a public school at 138th Street and 8th Avenue. He became a plumber's apprentice."

"The suspicion is that he developed his racial attitudes in the United Association of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry of the United States and Canada."

"That union has one of the worst records of racial discrimination."

"Under Meany's administration of the AFL-CIO, there has been a wide gap between the publicly declared policy, against racial discrimination and the actual practices of its affiliates and their local unions."

"An NAACP survey of last year confirmed that some local AFL-CIO unions continue to exclude colored workers, although the color bar clause has been removed from their constitutions."

"Other AFL-CIO unions limit colored workers to jim crow or 'auxiliary locals' in the North as well as the South. This is especially true of unions in the building trades."

"With this record of leadership failure, Meany accused POWELL of 'stirring up racial hatred.'"

"If fighting bigotry stirs up racial hatred, POWELL is guilty. He has fought racial prejudice wherever he has known it to exist."

"At times he may have been carried away with his zeal. At other times, investigation may not have borne out his charges. But

his target at all times has been to eliminate racial and religious prejudices from American life.

"Some of the opposition to POWELL comes from advocates of Federal aid to education.

"They believe he has caused defeat of bills providing such aid by offering amendments to deny Federal funds to school districts which are not complying with the Supreme Court decision against segregated schools.

"This may or may not be true. The bills probably would have been defeated, or vetoed, without any antisegregation amendment.

"There is a wide difference between the administration and liberal Democrats over such legislation.

"A large majority of southerners are opposed to such legislation because they believe—with or without the Powell amendment—Southern States will be denied Federal funds by either an administrative ruling or a Supreme Court decision.

"What was galling was Meany's statement that 'It is terrible to think that we will have a man like that as chairman of the Labor Committee.'

"[From the United Mine Workers Journal, Feb. 15, 1960]

"Just in case there are any questions in anyone's mind, the United Mine Workers of America believe that Representative ADAM CLAYTON POWELL, Democrat, of New York, is well qualified in every way to become chairman of the Committee on Labor and Education of the House of Representatives.

"Representative POWELL has a fine voting record on matters of interest to working people. He is in line for the Labor Committee chairmanship because he is the senior Democrat on the committee when Representative Graham Barden, Democrat, of North Carolina, steps down. POWELL, so far, has been denied his rightful position as a chairman of one of the Labor Committee's subcommittees simply because he is a Negro.

"Representative JOHN H. DENT, Democrat, of Pennsylvania, a friend of the UMWA, in a statement published in the CONGRESSIONAL RECORD, said the public has been misinformed about the qualifications of Representative POWELL. POWELL, DENT said, has always supported legislation that 'would do the greatest good for the greatest number of our citizens.' DENT said that during last year's battle over 'the labor legislation originally introduced by Senator Kennedy [Senator John Kennedy, Democrat, of Massachusetts] and finally passed under the sponsorship of Representatives LANDRUM and GRIFFIN, Representative POWELL never deviated from what he believed to be the proper and honorable course to follow. He fought shoulder to shoulder with those on the committee who felt that this was an attack upon the legitimate and honest labor unions, their officers and their members, and as an eyewitness to his activities, I can say that he was a stalwart in the fight for the rights of the little people.'

"DENT noted that when he appeared before the Subcommittee on Mines and Mining of the House Committee on Interior and Insular Affairs, of which POWELL is chairman, that he [DENT] 'received the most courteous and considerate treatment.' DENT appeared in behalf of the bill to create a Coal Research Commission, legislation that is strongly supported by the UMWA and the coal industry.

"In addition, the record shows that POWELL helped to get the research bill voted out of his subcommittee; that he helped the UMWA and continues to help the organization in the fight for improved mine safety legislation.

"POWELL is a vigorous fighter for the rights of Negro citizens and it is for this reason

that he is repeatedly attacked and vilified by the Dixiecrats in Congress.

"But for George Meany, the president of the AFL-CIO to make a vitriolic attack on POWELL from the Bal Harbour, Fla., winter meeting of the federation's executive council and charge that it is terrible that POWELL is in line for the chairmanship of the Labor Committee is, to put it mildly, sheer stupidity."

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

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

Mr. DOOLEY. I wish to commend the gentleman on the important fight he is waging against the corruption and the violence that is going on in Harlem and in New York City. It is a courageous, wonderful fight.

I ask unanimous consent, Mr. Speaker, to revise and extend my remarks.

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

There was no objection.

Mr. POWELL. I appreciate the gentleman's remarks. He is known as an advocate for truth and a fearless fighter for right.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. POWELL. I yield.

Mr. HOFFMAN of Michigan. They are talking about discrimination. They are debating the bill in the other body. I know of the discrimination practiced by the House Committee on Education and Labor last year when they bypassed the gentleman from New York and when they bypassed the humble Representative of the Fourth District of Michigan, and the politicians wanted something, the kind of a bill they thought would be advantageous in the campaign and seemed to think the objective could be better attained if we were not present. That is why they did it. I would not say they are hypocritical, but they are not fair. There was discrimination of the rawest kind.

Mr. POWELL. I will give my sacred word to my friend from Michigan that if the day ever comes that either he or I become chairman of the committee we will respect each other's seniority.

Mr. HOFFMAN of Michigan. Well, I certainly will. There is no question about that. But there is some doubt about which party will win control of the House, and as the gentleman well knows, I am not the ranking minority member, just second on the list and ignored when they came for that rating.

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

Mr. POWELL. I yield to the gentleman from Arizona.

Mr. UDALL. I am a Member of the House who has served in the last 3 years on some two committees on which the gentleman serves. I am serving presently on a subcommittee of the House Interior and Insular Affairs Committee, of which the gentleman is chairman. I would say, constituting myself a prophet for the moment, that I think some of our colleagues, and certainly Mr. Meany, if his frame of mind is that of the intemperate comment he made, are going to be very pleasantly surprised by the performance of the gentleman from New York [Mr. POWELL] if and when he assumes the chair of the Committee on Education and Labor.

I would simply like to make that sympathetic comment.

Mr. POWELL. I appreciate the words of the gentleman from Arizona as well as those of my other colleagues, and wish to assure them that regardless of who they are or where they come from I will always be fair in whatever capacity I act, present or future. In whatever position I may serve I will always treat everyone with the utmost equality and impartiality.

Mr. Speaker, I yield back the balance of my time.

[From the CONGRESSIONAL RECORD, Mar. 7, 1960]

INSIDE POLICY: THE HARLEM STORY

(Extension of Remarks of Hon. ADAM C. POWELL, of New York, in the House of Representatives, Monday, March 7, 1960)

Mr. POWELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

"[From the New York Post, Mar. 3, 1960]

INSIDE POLICY: THE HARLEM STORY

"(By Ted Poston with Alfred Hendricks, Irving Lieberman, and Richard Montague)

"Times do change.

"In the old days you couldn't pay the average policeman to work voluntarily in Harlem. Today, for those of the vice squad boys who operate the pad—the multimillion-dollar protection racket for the numbers game—Harlem is the happy hunting ground.

"Why? Well, say you are on the take. And say, for instance, that you are transferred from some other assignment to a vice squad in Harlem.

"Then you know that on your first tour of duty there will be \$250 waiting for you—a welcome-to-our-neighborhood gift of \$50 each from five major East Harlem banks which dominate the numbers racket throughout the city, but especially in Harlem.

"And, of course, as soon as the OK is given by your immediate superior, you go on the pad, cut in for your monthly share of the phenomenal tribute which crooked vice squad cops levy on policy operators who must maintain public spots where the bettors can buck the numbers without police molestation.

"But whereas the division pad for a regular spot in the rest of the city is usually \$350 a month, the take in a Harlem division is now \$615. And whereas 'full pad coverage' (from the cop on the beat all the way up to the special squads in headquarters) usually averages around \$2,500 per month per spot for the rest of the city, a full open spot in Harlem may be down for as much as \$4,500, depending on the play it handles.

"The Post looked closely into the Harlem operation because of Representative ADAM CLAYTON POWELL's charge that white racketeers, mainly Italian, were taking over the game from Negro bankers there—with police connivance.

"In his original press conference—attended by ranking police brass—POWELL named Louis (Louie the Gimp) Avitable, owner of a supermarket at 539 Lenox Avenue, as 'topman' of the Harlem operation.'

"The Post found that Louis the Gimp was indeed a big man in the Harlem policy racket, but he is by no means the 'topman' in the syndicate, which has muscled into the community.

"The most powerful figure in Harlem, in the matter both of influence and the most protected spots, is Anthony (Punchy) Salerno, an East Harlem hoodlum whom the newspapers nicknamed 'Fat Tony' when he was exposed as the 'Mr. X' who bankrolled the Patterson-Johansson title fight.

"Salerno, who managed a phenomenal rise from punk to dope peddler to Dutchess County squire in less than a decade, operates 37 'full open spots' in Harlem—from which grafting cops receive an estimated rakeoff of nearly \$100,000 a month.

"A former Negro numbers banker, reduced to controller for a white policy bank when he could no longer meet the pad, explained the importance of Salerno's position.

"Because Tony's operation is so tightly organized," he said, "the cops don't need a lot of pickup men like that Joe Lubarda to go around to individual spots. Tony's bank, for instance, can assemble about \$45,000 a month for four special squads above the



division level and turn it over to just one bagman. That way, there's less chance of a slip-up.

*"The 'OK' boys"*

"Salerno is so big that he has the right to give the 'OK' for any new spot to be placed on the pad. There used to be a half dozen Negro bagmen or bankers who could give the 'OK,' but today there aren't more than two Negroes in all Harlem who can 'OK' you to the cops for a place on the pad, and I doubt that any Negro now can 'OK' a full pad."

"Next to Salerno in power in this respect, the Post investigation indicated, is Louis the Gimp Avitabile, who started out with his three brothers as pushcart peddlers in Harlem around 1938, rose so rapidly in the numbers business that by 1951 the Bureau of Internal Revenue had him down for \$807,000 in unpaid taxes.

"Until the heat went on, following Powell's charges, Avitabile had 14 full open spots, for which he was assessed a monthly police take of about \$2,470 each.

"Assistant Chief Inspector Burns, who attended Powell's press conference, quickly pointed out to reporters that the Gimp was officially listed as a 'known gambler' and that two or the four addresses listed by the clergyman had been raided and were at that moment 'suspected premises.'

"Burns could have gone further by noting that Avitabile's main headquarters, his Lenox Avenue supermarket, had been officially made a 'raided premises,' with a patrolman stationed there since last July 2 to prevent any policy operations.

"Actually, the Gimp's main business had moved into a basement right around the corner and his 13 other spots were even at that moment in full operation. The main one was still in action when the Post team went around Harlem. Avitabile's partner, Solly Appuzzo, was running it in his absence.

"Close behind Avitabile in the East Side hierarchy are the Villigante brothers, Louis, Tony, and Charlie. The Villigantes, who have their headquarters at 95th Street and 2d Avenue, plus extensive policy interests elsewhere, pay for 11 full open spots in Harlem.

"Louis Villigante, the boss of the outfit, has three policy convictions. Like Avitabile, he was listed on the pad carried by retired cop Joseph Luberda, the Harlem bagman now serving time for refusing to name his police department associates in the protection operation.

"There are other Italian operators who have sizable slices of the Harlem numbers game such as Felice and James Falca, both known gamblers with more than 30 arrests for policy between them. Luberda had them listed as Phil and Jim Black.

"A nice tribute to the lushness of the Harlem policy play came in the Post's discovery that Sammy Schlitz, the most powerful non-Italian policy figure in the east Harlem syndicate and boss of policy in the Bronx, pays for seven protected spots in Harlem.

"Schlitz, born Sam Schlitten on January 14, 1910, son of a respectable trucker, was only 18 when he started a long police and prison record which included arrests for robbery, bootlegging tax-free liquor, consorting with known criminals, and felonious assault.

"At the time of his bootlegging arrest in 1938, Schlitz boasted that he was a member in good standing of the Bronx Pigeon Fanciers' Association. The police paid no attention to that item at the time but in 1953 they discovered that the congenial little racketeer was making ingenious use of the hundreds of pigeons who roosted in elaborate coops atop his Bronx home.

"Schlitz had pigeons delivered each morning to the scores of controllers in his Bronx policy operation, and each homing pigeon would carry the day's business slips back to him before the third race was run at the designated numbers racetrack.

"The ingeniousness of this plan evidently brought Schlitz to the east Harlem syndicate's attention, and when that mob decided to supervise the major policy operations for the whole city (for a percentage of the gross take) he was left to continue to run the Bronx operation in the new combine.

"Unless Sammy gives the OK, nonsyndicate operators told the Post, 'nobody can get the pad anywhere in the Bronx (today).'

"But Schlitz is still subordinate to Punchy Salerno in the overall operations of the syndicate's policy game, as he is to Salerno in the number of protected spots in Harlem, for Salerno stands secure among the current policy kings. His story is pure rags-to-riches.

"Born and reared in the East Harlem neighborhood where he still operates his bank (in absentia) on East 116th Street between First and Pleasant Avenues, he earned his nickname Punchy as an amateur club fighter.

"Punchy's fistic career was cut short in October of 1932, when he was sent to Elmira Reformatory, at 18, for armed robbery. Released on probation, he worked as a rouser around the fruit markets. When World War II came, he was classified 4-F because he had two deformed fingers on each hand and webbed feet.

"It was around this period that the Narcotics Bureau first took note of Salerno. For when wartime restrictions created a short of cocaine, the word was out in East Harlem that Punchy could get it for you at a price.

"Salerno was picked up on a charge of extortion, later dismissed, in 1951, but had no other trouble with the law despite the narcotics agents' suspicions.

"In 1953, however, the Narcotics Bureau finally assembled evidence which resulted in Salerno's indictment for unlawful sale of heroin and conspiracy to violate narcotic laws. Salerno thereupon vanished. He was not arrested until a year later and maintained a not-guilty plea as his case dragged through the courts. Finally, 4 years and 10 days after his indictment, he pleaded guilty to two of the three narcotics counts in the case.

"In the intervening year, the once small-time hood had risen fast in the East Harlem hierarchy.

"As a close pal now of Trigger Mike Coppola and Joseph (Joe Stretch) Stracci, he was the unchallenged director of the East Harlem operations of the syndicate, then steadily gulping up the policy game in West Harlem, and also operated the mob's lending bank which financed jukebox and other rackets.

"And although he paid less than \$600 income tax in 1957, Salerno was able to buy a plush home in Miami Beach—later sold to Capone gangster, Paul (the Waiter) Ricca for \$75,000—and a \$100,000 estate called Spruce Bar Ranch in Rhinebeck, N.Y.

*"It's a living"*

"Salerno's rapid rise in the numbers game in East and West Harlem coincided with the collapse of most of the Negro banks which had dominated the game in the latter community for decades.

"But it did not result, as POWELL charged, in the complete elimination of 'every Negro banker in the community.' The Post found at least a half dozen Negro banks still in full operation, although one or two are believed to be under syndicate direction.

"The largest of these is a Negro-Puerto Rican operation run by Henry Lawrence and Spanish Raymond Marquez, whose bank pays for 10 spots. Lawrence, last arrested a year ago for policy and listed as 'Henry' on the Luberda pad, operates daily in the area of 148th Street and 8th Avenue. He fronts as a

tailor shop owner and is regarded as one of the two Negroes who can OK a new spot for the pad.

"Marquez, ostensibly a theatrical producer, handles the bank's spots and business in the lower 8th Avenue area embracing 112th and 113th Streets.

"A somewhat smaller operation is located in the Lenox Avenue area around 140th Street. This bank is operated by the big five—Boo Marshall, Sid Thompson, Fritz Devinish, Pat Hogan, and Crappy Hale.

"And still smaller is the action of the big three—Walter Smith, Carlyle Williams, and Crip Martin at 127th Street and Lenox Avenue.

"There are also several Negro combinations, including one organized by one of the original Harlem policy barons. In these, the partners establish a bank on prorated shares and accept a weekly salary from its earnings.

"In most cases, the combinations operate no spots, but handle their business through runners and controllers. These banks establish private pads with police and pay off on a precinct level when possible.

"It's a living,' one such operator told the Post, 'and the headaches are sometimes a few less. But still it is better than being on the full pad. Only the east Harlem boys have got enough money to keep these greedy cops at bay.'

[From the CONGRESSIONAL RECORD,  
Mar. 7, 1960]

INSIDE THE POLICY RACKET: HOW THE  
MOBS MOVED IN

(Extension of remarks of Hon. ADAM C. POWELL, of New York, in the House of Representatives, Monday, March 7, 1960)

MR. POWELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article:

INSIDE THE POLICY RACKET: HOW THE MOBS  
MOVED IN

(By Ted Poston (with Alfred Hendricks, Irving Lieberman, and Richard Montague))

"One inevitable result of the operation of the pad—the multimillion-dollar police protection setup in the numbers game—has been to give major control of the policy racket to the underworld here.

"Call them what you like—the east Harlem mob—the syndicate, the Maffia—the Post's investigation of policy showed that these are the people who now control what once was a comparatively harmless, penny-ante lottery and is now a major racket.

"Today, for the first time in the 150 years that it has existed here in one form or another, the numbers game is now a means as well as an end.

"The end is obvious—the once fabulous profits reaped by numbers bankers from suckers who take a 1,000 to 1 chance on picking a number in the hope of getting a 600 to 1 payoff if they're lucky enough to win.

"The profits are still there but the rigidly organized graft of dishonest vice squad policemen has made a heavy dent in the take enjoyed by the policy banks.

"The means became equally obvious when Post reporters began a 2-month investigation of the numbers game here in the wake of Representative ADAM CLAYTON POWELL's charges that Negro numbers bankers were being forced out of the game by the police so that whites—mainly Italians—could take over.

"For the numbers industry—with its thousands of collectors, hundreds of controllers and other thousands of full- and part-time employees—provides an already established apparatus for other uses by unscrupulous racket bosses.

"Here is what the Brooklyn grand jury reported last year after its investigation of gambling and police corruption:

"If you scratch the professional operator of gambling ventures you will find the narcotics peddler, the loan shark, the dice game operator, the murderer.

"Brooklyn has been the scene of a number of unsolved gangland homicides over the past few years. Almost every one of those killings is involved with gambling ventures in one form or another.

"In one case where seven leading narcotics dealers were convicted in Kings County last year, six were actively engaged in gambling activities, including bookmaking and policy, which they used as the source of funds for their deadly trade in narcotics."

"A veteran numbers banker who insisted on using an obviously fictitious name told the Post a story which vividly illustrated the grand jury's findings.

"It happened around Christmas a year or so ago," this man said. "I was paid up on the pad (the list of police-protected policy spots) and would've been in good shape if all the cops on the pad, past and present, hadn't doubled back for a 'Christmas taste.' I had to shell out.

"And then, just before New Year's, I get hit heavy by some of my biggest players. I was out about \$18,000 and I just couldn't raise that kind of money. Then the bagman for one of the special squads set up a meet for me with the East Harlem boys. He said they'd let me have the money until I got back on my feet.

"But when we finally had our meet, I found they wanted something in return. They said that if I would use my setup to handle about \$18,000 worth of hoss (heroin) that I wouldn't even have to pay any interest on the \$18,000 they were lending me.

"Well, I wasn't going to get mixed up in that kind of rap this late in life. So I just walked out. They didn't like it a bit, and the bagman told me later I was a fool. Of course, they took over my bank anyhow—and they've still got it."

"Unfortunately, other bankers, pressed to the wall by limited capital and mounting vice squad graft demands, evidently have taken the other road. During its investigation, the Post found strong indications that at least one major 'independent' bank in Manhattan is closely allied with the narcotics trade, as is another in Brooklyn and at least two in the Bronx.

"The connection is becoming increasingly evident as narcotic agents more frequently find themselves tracking down dope peddling suspects only to find them also employed in numbers operations.

"The syndicate, or Mafia, has long been active in the numbers game on the waterfront, but policy then was only an adjunct to such other activities as loan sharking and other waterfront rackets.

"It was not until 1949 or so that the late Albert Anastasia, chief assassin of Murder, Inc., decided to expand from the waterfront and take over the policy game in other profitable areas.

#### "A king loses his crown

"First to feel the weight of the new decision was Louis Weber, Brooklyn's then admitted policy king and a pal of James Moran, Mayor O'Dwyer's right-hand man and a political power in his own right in Kings County.

"One night in 1949, Weber received a visit in a South Brooklyn tavern from Anastasia and Frank (Frankie Shots) Abbatemarco, who had handled the policy operation for Anastasia's syndicate on the Brooklyn and Staten Island waterfronts.

"The conversation was short and to the point. Weber was out; Frankie Shots was taking over.

"Weber was a man of standing. He had a vice squad payroll nearing that of Harry

Gross' still-to-be-exposed bookmaking empire. He had defied a long list of district attorneys (when defiance was necessary) and could depend on the immense political power of Moran in the O'Dwyer administration.

"But Weber knew this was all to no avail when the syndicate decided to move in. So he gave up a lifelong policy empire in Brooklyn without an argument and fled to West Harlem to try to reestablish himself. He never attained his former eminence.

"For the next decade Frankie Shots, a boastful, high-living thug, became Brooklyn's biggest policy operator, although the real power for the borough's operation was held by Carmine Lombardozzi, a representative of the East Harlem mob which even then was consolidating its spreading policy power.

"Lombardozzi, soft spoken and unobtrusive, was only faintly known to the public until his participation in the 1957 underworld conclave at Apalachin put him on the front pages.

"Brooklyn underworld sources said that Lombardozzi was demoted after Apalachin, presumably for not being diligent in pushing the syndicate to take over all the major policy banks in Brooklyn, and Mike Miranda, still a major policy figure in Brooklyn, took over his behind-the-scenes role.

"(Frankie Shots, loudmouthed to the end, wasn't as lucky as Lombardozzi. Suspected of holding out on the syndicate, he was mowed down in Brooklyn by two gunmen on November 4, 1959, in the very same tavern where Louis Weber had been handed his walking papers.)

"The syndicate's plan, duplicated in other boroughs, was quite simple. The major banks were swept up by the mob, with all direction coming from the East Harlem empire of Vito Genovese, Anthony (Fat Tony) Salerno, Trigger Mike Coppola, and Joseph (Joe Stretch) Stracci.

"The remaining 'independent' banks, run mainly by veteran Negro and Puerto Rican bankers, were to be supervised by the syndicate at a flat fee of 1 percent of the gross take.

"Each 'independent' bank had to permit a syndicate representative to check its 'ribbon' (the daily adding machine tabulation of the total play) so that the syndicate could be assured of its 1 percent 'off the top.'

"At the same time, the mob undertook to put all policy spots and locations on 'the pad'—the vice squad's list of police-protected places.

#### "Policy: The mobs move in

"The conquest of Brooklyn by the syndicate was almost complete by early 1958 when District Attorney Edward Silver began a secret 2-month investigation which in April of that year led to the smashing of the \$5 million bank of Angel F. Calder, the city's largest Puerto Rican policy banker. The raid also revealed an open connection between Calder's bank and what Silver called the Manhattan Syndicate.

"Working so quietly that even the clerical staff in his office didn't know when he planned to act, Silver assembled 82 detectives and picked plainclothesmen on April 1, 1958, and made a series of simultaneous mass raids which netted Calder and 67 of his associates, along the policy paraphernalia, the day's play, and several thousand dollars in cash.

"The prize catch of the raid proved to be an obscure East Side mobster, Emmanuel (Nappy) Frazetta, 40, of 160 Mott Street. Frazetta was seized in the basement of a three-story brownstone at 693 Lafayette Street in Bedford-Stuyvesant, which Silver said was the temporary headquarters of Calder's main bank. The raiders found Frazetta holding the 'ribbon' for the day's policy play and surmised that he was checking for the syndicate to guarantee its 1 percent take.

"Frazetta would only admit that he was a messenger sent over from Manhattan to

pick up something to turn over to somebody in a subway.

"Urbano (Benny) DeMucci, 41, seized while checking the take there at a Calder annex, also was suspected to be a syndicate representative.

"Calder himself, along with his son, Angelo, and his brother, Julio (One-Eyed Red) Calder, was charged with contriving a lottery—a felony—and released in \$25,000 bail each.

"Forty-four other persons seized among the 68 with the Calderes were also booked and released in bail. Most of them went directly back into business.

"On April 9, just 8 days after the big April Fool's Day raid, Silver's rackets bureau detectives struck again—in the absence of any action by the police who regularly covered the area.

"The DA's men seized Otis Spain, Jr., of 110 Cambridge Place, and charged him with possession of 22 numbers slips containing 1,800 plays. One of the 45 booked in the big Brooklyn raid, Spain had been plying his trade industriously since his release on bail.

"With Spain in custody, the rackets bureau detectives struck again that night at 924 Lafayette Street, just three blocks from the basement at 693 Lafayette where Calder's main bank had been smashed.

"The raiders acted on information that 20 of Calder's controllers and runners were assembled there to set up a new operation, but apparently the policy boys had been tipped by their own sources, for the DA's squad found just 2 men there.

"But the raid was not in vain. One of the two men turned out to be the aforementioned Angel Calder himself, a durable veteran of 22 years in the business and the other was Fitz Sealy, 70, another oldtime policy operator.

"The 45 men seized in the Calder ring are still awaiting trial after 2 years.

"Silver and Assistant District Attorney Koota told the Post this week that the trial was being held up awaiting clarification of a 1957 U.S. Supreme Court decision which indicated that evidence obtained by wiretapping might not be admissible in local courts.

#### "Business as usual

"One year after the raid, the State Court of Appeals upheld the use of wiretap evidence in State courts, but Koota pointed out that the court of appeals did not rule on the legality of wiretapping under section 605 of the Federal Communications Act, on which the Supreme Court based its ruling.

"We are still concerned," Koota said, 'about the possibility of having a policeman admit to an act which the U.S. Supreme Court has held to be illegal. Such testimony by a policeman might expose him to possible indictment by a Federal grand jury.'

"Meanwhile, it can be assumed that the Calder bank is back in business as usual—probably trying to lay up a reserve for the day when the court showdown finally comes and Silver—as he expects—sends most of the 45 to jail.

"But a Brooklyn Negro policy banker, whose operation was once closely associated with that of Calder, predicted that there wouldn't be much reserve left.

"The only boys who made anything out of the Calder business," he said, 'are the vice squad boys on the pad. They were around the day after the first raid to say that everybody's payments had to go up because 'We're taking more chances now.' And I'll be damned if they didn't try to get a second hike just 8 days later when Calder was picked up again.

"So the old man will be lucky if he can keep his head above water until the trial comes up. I doubt if they'll leave him much more than that."



# HARLEM'S POLICY RACKET: THE DAY THE HEAT WAS ON

(Extension of remarks of Hon. ADAM C. POWELL, of New York, in the House of Representatives, Monday, March 7, 1960)

Mr. POWELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the New York Post, March 4, 1960:

## "INSIDE HARLEM'S POLICY RACKET: THE DAY THE HEAT WAS ON

"(By Ted Poston with Alfred Hendricks, Irving Lieberman, and Richard Montague)

"What happens when somebody blows the whistle on a suspected numbers spot which just might be buying police protection under the multi-million-dollar pad system?

"Well, it depends.

"If it is just an ordinary squawk lodged with the local precinct, or even at police headquarters, that's one thing.

"But if the whistle is blown on the floor of Congress, that's another thing altogether.

"So one Wednesday last month, the day for Representative ADAM CLAYTON POWELL's weekly discourse on 'Gambling in the City of New York,' a Post reporter investigating the alliance between the policy barons and certain members of the police vice squads decided to check on the results.

"On that particular day, POWELL asserted that Harry Felt, a former Internal Revenue man, had 'become the numbers boss of lower Harlem.'

"His headquarters are various houses on 115th Street between Lenox and St. Nicholas Avenues,' POWELL told Congress. 'He uses two places for his telephone communications. One is a restaurant called the Asia Currie place at 100 West 115th Street. The other is the drugstore on the corner of 115th Street and Lenox Avenue, on the West Side.'

"The Post man dropped by the drugstore and the Asia Famous Currie Shop around the corner. Here is his report:

"I spent over an hour in the restaurant—before the news of POWELL's speech reached Harlem. I noticed on the way in that the block, which is between Lenox and St. Nicholas Avenues was jammed with people on stoops and idlers on the street corners. I saw a man walk up and pass money to another man in the group on the corner. I assumed that the recipient (he was in his twenties and wore a gray overcoat and hat) was a single action banker.

"In the restaurant there were only a few people sitting around eating, but their talk revolved around numbers—what figure was leading today, what number they had almost hit yesterday, and things like that.

"Presently, a woman entered. She was short, brown skinned, and spoke with that accent peculiar to Puerto Ricans born and raised in East Harlem. She was complaining that her customers were doing business with some rival policy operator in a nearby bar.

"She sat at a table near the window and every now and then she got up and went out into the street, returning a few minutes later. I did not see her transact business in the restaurant.

"Shortly before 5 p.m., the chap in the gray overcoat entered the restaurant and yelled: 'Did you hear it on the radio? I just heard that POWELL named Harry as one of the policy bosses today.'

"Everybody in the place, including the proprietor, an East Indian called Jimmy, seemed to recognize the name and a heated discussion followed. There was a lot of talk about POWELL 'stirring up trouble.'

"Then the woman, had just come back from completing another sidewalk transaction, asked:

"Did POWELL mention Charlie Freeman?"

## "Getting the word

"Gray Overcoat said no. (The brief radio reports at that point hadn't mentioned either the restaurant or the drugstore, so no one seemed upset.)

"About 5:30 I dropped in to check the drugstore. It was jammed but I did not witness any open numbers activities. I did notice though that the stocks on the store's shelves seemed small for such a large volume of possible business.

"Later that day, the newspapers carried two addresses among POWELL's growing list of policy targets, so the Post reporter went back in the morning:

"Around 9:30, I paid another visit to 115th Street. Two radio cars were parked in the block just sitting near the two establishments. There wasn't a single customer in either the drugstore or the restaurant.

"Only a few people were standing on the stoops and no one was on the street corners.

"About an hour later, there were three radio cars, two white plainclothesmen strolling through the block, and a uniformed cop standing on the corner by the drugstore.

"I asked a passing citizen what was going on. He laughed and said the radio cops had told the people they weren't going to allow any loafing on the stoops today because there had been a couple of small fires started in some cellars on the block the day before.

"I noticed that the radio cops were going in and out of a couple of buildings. I asked why and they said they were investigating yesterday's fires.

"I went away and came back a half hour later and now there was another radio car parked at the curb in midblock. An unmarked car with four plainclothesmen was parked directly in front of the Asia Famous Curry Shop. There seemed little chance for any gambling activity there that day.

"The report concluded:

"No doubt, police headquarters will say that POWELL's charges were investigated and that police found no sign of policy activity. Which, of course, will be quite true.

"The cops had telegraphed their punches beforehand by riding in slowly cruising cars, in pairs or trios, circling the same block several times. The plainclothesmen's cars were unmarked but they might just as well have had 'Police Department' painted on them in foot-high letters.

"But as far as the cops and their superiors were concerned, they had done their job. They could report back to their commander—quite truthfully—that they had checked the block and found no sign of gambling activities.

"It is only fair, of course, to add that POWELL's floor speeches also have the effect of forewarning the intended victims. There is nothing to prevent agents of policy people from listening in themselves from the congressional gallery.]

"In the same issue of the CONGRESSIONAL RECORD, POWELL inserted a copy of a letter which a retired schoolteacher had written Police Commissioner Stephen Kennedy about a chain restaurant on Broadway above 140th Street.

"I have discovered that gambling has invaded this particular restaurant in the form of numbers,' the exteacheer wrote Kennedy, 'and its presence is much to the annoyance of decent clientele.

"They have a booming business among the colored and white patrons. The manager of the restaurant has knowledge of the existence of gambling here, as I have seen him making wagers on the numbers with a Mr. Jenkins. He is en rapport with all the gamblers, and he is an avid devotee of that phase of the numbers known as single action.'

"POWELL charged that 'nothing has been done concerning this letter,' but the policy operators with whom Post reporters talked disagreed.

"Oh, no,' they all agreed. 'They can't afford to ignore something in writing like that. But if the place is on the pad (the vice squad list of police-protected policy locations) they'll just get into S.O.P. (standing operating procedure).'

"And one controller who once operated a Harlem store as a front for one of the big East Harlem banks, cited his own personal experience to illustrate S.O.P.

"It all started with a loud-mouthed chick who had been putting a buck on 699 for more than a year,' he said. 'She always insisted on having a slip although we told her that she could keep it in without one since she played the same number every day.

"But she insisted on a daily slip because sometimes she played a few other numbers too. Well, one day, out jumped 698 and to everybody's surprise this chick comes in and demands her \$600 [Editor's note: The chances of winning are 1,000 to 1].

"I pointed out that the winning number was 698 and that she had played 699. Well, she pulls out her slip and handed it to me. It looked like 698 all right, but I could tell that part of the last 9 had been carefully rubbed out to make it look like an 8.

"We are used to hustles like that but we didn't want a stink, so we told her we'd check with the bank and get her original copy back.

"Well, we had the copy sent up the next day and it was plain as hell that she had bet 699, as she had been doing right along. We showed it to her and also told her we had checked the bet on the ribbon (the adding machine tabulation of the day's bets).

"The operator said the woman refused to accept the evidence and returned with a boy friend.

"They raised so much hell that they scared off some of our legitimate customers, people who had been trading in the store for years without knowing numbers were played here also. And that's bad; if you don't have any legitimate business at all, even being on the pad can't help you but so much.

"We finally got them out of here, but they threatened to come back next day and take the place apart. They didn't, though, because we passed the word along and some of the boys dropped by to talk to them and we thought that was the end of it.'

## "More to come

"The operator then came to the point of his story:

"Well, it was about a week later that a plainclothes guy came from the local squad, dropped in and asked for me. I come up front and he said:

"Look, fellow, I'm sorry, but Downtown is sending us up a letter of complaint that says you are writing numbers in here. So you've got to give me somebody right now so we can cover ourselves."

"Now that isn't the usual SOP. The guys usually telephone you when they got to make an arrest, but they usually give you until later that day or early to next morning to line somebody up.

"That will give you time to hire some local wino or junkie who hasn't had too many policy busts so that he can be picked up by the cop in front of the place or even inside, if necessary.

"It's better still if you can get some guy who has never been busted at all. For you got to give him \$50 to take the bust anyway. And if he's a first offender he'll get a suspended sentence, anyway. In that way, you don't have to slip his wife or family nothing while he's serving time. But you've

still got to put out \$25 for his lawyer and another \$25 for his bond if the magistrate don't stand still.

"But this plainclothes guy wouldn't take that later stuff. He said he had to have somebody right now. He said the letter had too many details about my spot—I figured it must have come from the chick who had tried to hustle us—and even hinted we might be on the pad. So he had to have somebody right now."

*"Something had to give"*

"Well, there was nobody there then but me and my writer, and you know I couldn't afford to take no bust. I didn't want my writer (the \$85 a week employee who accepts the bets and makes out the slips) to take one neither, for it don't do to have a writer with too much of a policy record.

"I told this to the local guy, but he said everything would be okay. 'I got to have him or somebody,' he told us, 'but don't worry, I'll keep him clean. He'll be back behind that counter by the time you open up tomorrow.'

"Now the cop was a man of his word. When he booked my boy, he made out the complaint to say that he didn't find any numbers on his person but that he did find a bunch of slips under the radiator near which my boy was standing.

"Naturally, the magistrate threw the case out."

"The operator smiled in reminiscence.

"That was the last I heard of it personally," he recalled, "but I learned later that that chick's complaint was sent up from Downtown the next day, but it was already a dead squawk. The squad boys reported to Downtown that they had been keeping the place under surveillance, and that they had just made a policy arrest there the day before."

"They said they had trolled the guy (my writer) into the store just before making the pinch, and said that he usually operated on a street corner about a block away. They said their surveillance indicated that my store was clean and not a numbers drop at all."

"He smiled broadly in conclusion.

"So that poor retired schoolteacher need not worry. Nobody's going to ignore any written complaint sent to Police Commissioner Stephen P. Kennedy."

**CHARGES OF POLITICAL CORRUPTION**

Mr. WILLIAMS of Delaware. Mr. President, on March 4, March 5, and again on March 7, there appeared in the Washington Post three articles written by Mr. Drew Pearson. Each of these contains some very serious charges—charges so serious that they cannot be overlooked.

If these charges are true, not only do they represent a flagrant violation of our existing election laws, but also they would represent a new low in politics.

At a time when we spend weeks debating the right of every American to vote, certainly Congress can give some time to insure that this right once given is not abused.

In these articles, there are two very serious charges:

First, there is the charge that the question of whether or not to prosecute an alleged income tax violation was being decided, not upon the merits of the case, but rather upon the willingness of a taxpayer to change his political party affiliation.

Second, there are the charges that responsible men offered, and that this same individual accepted, payments of \$50,000 to \$100,000 in return for his political support to certain candidates in the 1956 and 1958 elections.

Both the offering and accepting of bribes for political support are violations of our existing laws; it is likewise a violation of our laws for any decision regarding the prosecu-

tion of a tax case being made contingent upon political support.

At this point, I ask unanimous consent to have printed in the RECORD as a part of my remarks the three articles to which I refer.

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

"[From the Washington Post, Mar. 4, 1960]

"POWELL PROSECUTION DELAY STRANGE

"(By Drew Pearson)

"One of the weird ironies of the civil rights battle is the paradoxical friendship of the civil rights author, Attorney General William Rogers, with the civil rights bitter-ender from Mississippi, Senator JIM EASTLAND. Believe it or not, they are quite cozy.

"Furthermore, EASTLAND, who occupies the potent position of chairman of the Senate Judiciary Committee, has protected his friend, the Attorney General, from any Senate investigation of his Justice Department.

"One of the strange operations inside the Justice Department which other Senators would like to investigate is the reported protection of New York's most spectacular Congressman, ADAM CLAYTON POWELL, of Harlem, in regard to income tax evasion. POWELL saw two of his secretaries convicted and a third indicted. That was about 5 years ago.

"Meanwhile, there have been mysterious delays regarding the Congressman's own income tax case. It has dragged on for months. Finally, almost 3 years after his secretaries got into trouble, Assistant U.S. Attorney Thomas A. Bolan in New York, in charge of the Powell grand jury, let it be known that on March 18, 1957, he had received word from the Justice Department in Washington to abandon the grand jury investigation.

"Bolan was further asked to write a letter to Attorney General Rogers—the friend of 'Big Jim' EASTLAND—advising him that the case should be turned over to the Treasury—which meant a compromise with no prosecution. This Bolan refused to do, and a runaway grand jury subsequently indicted POWELL.

*"The inside story"*

"But what Senators would like to know is what happened inside the White House to delay POWELL's prosecution for what is now approximately 5 years. Since EASTLAND's Senate Judiciary Committee won't investigate, this column can now reveal the story.

"During Ike's 1956 reelection campaign, the handsome Harlem Congressman, long a Democrat, wrote Vice President Nixon that he might switch to the Republicans. As a result, Max Rabb, secretary to the Eisenhower Cabinet, went to New York, and arranged to bring POWELL to the White House, where with much flashing of photobulbs, it was announced that POWELL was now for Ike. He urged all Negro Democrats to switch.

"Inside the White House, and before the press conference, the terms of POWELL's deal were worked out with Sherman Adams, Rabb, and Charley Willis, the former White House assistant and son-in-law of Harvey Firestone.

"POWELL produced a list of his outstanding financial obligations including the estimated cost of his own reelection, totaling \$50,000, which he said he wanted paid in advance. In addition he wanted other expenses paid, including a room at the Waldorf and an apartment in the Middletown Hotel on East 48th Street next to the swank Eden Roc Club.

"Finally POWELL took up with Adams and Rabb his income tax problems. It would look very bad, he said, if he was indicted during the campaign. So Adams agreed to discuss the matter with the Attorney General with a view to having the grand jury proceedings dismissed.

"The Congressman tried to drive a further bargain and asked that his secretary, Acy

Lennon, be let off. However since Lennon was already indicted, this was considered too risky.

"Ike's aids also agreed to retain counsel for POWELL and to pay his counsel fees immediately. They engaged Boris Berkowitz.

*"Sealed and delivered"*

"All this was firmly sealed and agreed upon before the mercurial Congressman from Harlem went in to see President Eisenhower and announced his dramatic switch to the Republicans.

"Thereafter headquarters for POWELL's switch-Negroes-to-Ike drive were set up in the Hotel Marguery, 270 Park Avenue, in midtown Manhattan. Charley Willis was placed in charge of raising a budget of \$100,000, which was guaranteed by the Republican National Committee.

"Life for the switch-Negroes-to-Ike drive, however, was not easy. About this time, Hazel Scott, the Negro singer who had married POWELL, was threatening divorce and intimating that she would name various girls as correspondents, some from well-known white families.

"Berkowitz was immediately sent into action. He arranged a settlement and Hazel Scott went to live in Paris until the election was over.

"POWELL's GOP campaign managers breathed easier and proceeded to stage an open house at committee headquarters. It was a mad opening—typically ADAM POWELL—featuring an interracial set of so-called models to acts as hostesses.

"That's just part of the story of how the Congressman from Harlem went to bat for the Republicans in return—supposedly—for favorable income tax treatment."

"[From the Washington Post, Mar. 5, 1960]

"DE SAPIO OUTBIDS GOP WITH POWELL

"(By Drew Pearson)

"NEW YORK.—When Acy Lennon, assistant to Representative ADAM CLAYTON POWELL of Harlem, went to the Federal penitentiary in Danbury for tax evasion, he weighed 325 pounds. When he came out of Danbury in the fall of 1958 he weighed only 250 pounds. His clothes didn't fit.

"So during a visit to Carmine De Sapio, boss of Tammany Hall, Acy was handed \$1,000 by De Sapio to buy some new clothes. The two also talked politics, especially the question of whether the handsome Harlem Congressman, who had bolted the Democrats for Eisenhower and Nixon, would return to the fold and support Gov. Averell Harriman in his hot race against Nelson Rockefeller.

"The election looked very close and the Negro vote was needed. So, after considerable conversation, Acy reported back to Congressman POWELL that Tammany would pay him \$100,000—\$50,000 down and \$100 a week over a 10-year period—if he would support Harriman against Rockefeller.

"In addition Acy Lennon was to receive \$5,000 from ADAM for negotiating the deal, plus a promised \$5,000 from Carmine at the rate of \$100 a week.

*GOP less generous*

"This offer was more generous than that which the Republicans had worked out with Congressman POWELL during Ike's 1956 reelection campaign when POWELL stood on the steps of the White House after visiting Ike and urged Negro voters to support Eisenhower and Nixon. At that time he received \$50,000 for expenses, plus various fringe benefits, the aid of an attorney, and a promise that the Attorney General would be asked to call off the grand jury probing his income tax case.

"However, earlier in the 1958 New York election year, Congressman POWELL had made a commitment to the Republican leader of Harlem, Harold Burton, that he would run for Congress on the Republican



ticket. POWELL made this commitment at a time when Tammany was determined to punish and defeat him for switching to Ike in 1956.

"So POWELL took out political insurance against possible defeat in the Democratic preliminaries by signing up also as a Republican.

"Tom Curran, Republican county leader, didn't like this at all. He warned Burton that he would be doublecrossed.

"But POWELL is a man of God," replied Burton, referring to the Congressman's weekly sermons at the Abyssinian Baptist Church, largest in the world. "He can be depended upon to keep his word."

"Later, however, when word leaked back to Republican circles that POWELL might be flirting with Tammany, they began to get jittery. Burton sent for Fred Weaver, a Powell aid, and both of them went to see Charlie Willis, former assistant to Sherman Adams and a top Republican money raiser. All were anxious to keep POWELL on the GOP side in the red-hot race between Harriman and Rockefeller.

#### *Fifty thousand dollars offered*

"So word was sent to the Congressman, then relaxing in Puerto Rico, that \$50,000 was available in cash if he, POWELL, would endorse the Republican ticket.

"I don't trust Willis," the Congressman replied. "He told me earlier that he would give me \$50,000 to help in my primary and my legal expenses, and when I sent Bill Hampton down to pick it up, Willis said 'Adam has just attacked Eisenhower in the New York Times, so the deal is off. I have nothing for him.'"

"You tell Willis," POWELL continued, "that the price is going to be higher this time, and this time I want the money paid in front."

"POWELL went on to explain that if he ran as a Republican he would be finished politically and would need more than \$50,000 for future financial security. He said he might have to be made vice president of some public relations firm at a salary of about \$50,000 a year for 10 years.

"All this took place before Carmine De Sapio came up with his offer of \$100,000 through POWELL's convicted assistant, Ace Lennon. Finally POWELL accepted it. But first he exacted some fringe benefits. One of the fringe benefits consisted of a pledge that Governor Harriman would urge Speaker Sam Rayburn to see that POWELL became chairman of an important subcommittee in Washington. He also exacted the promise of several jobs for his associates and some Federal housing for one of his secretaries' real estate venture.

"It was then agreed that ADAM would obtain interviews with Rockefeller, Harriman, and other candidates, weigh their positions on civil rights, and, after careful deliberation, announce for Harriman.

"Thus the stage was set for the next big political reversal in the life of ADAM CLAYTON POWELL."

"[From the Washington Post, Mar. 7, 1960]

"ONE HUNDRED THOUSAND DOLLAR OFFER WON POWELL OVER

(By Drew Pearson)

"New York.—When a runaway grand jury on May 8, 1958, finally indicted Congressman ADAM CLAYTON POWELL, of Harlem, for tax evasion, despite attempts by the powers that be in Washington to protect him, he used the steps of the Federal Building in New York to launch a drive for funds for his legal defense.

"Posing for the newsreels, he accepted a \$500 check from Dr. McKinley Wiles, a Harlem physician. And speaking from the pulpit of the Zion Baptist Church in Brooklyn,

where more money was collected, POWELL said:

"What a mess our Government has got into with ADAM POWELL, and for the tremendous sum of \$1,600."

"And following the announcement by Tammany's leaders in Harlem that he would not be renominated for Congress as a Democrat, POWELL announced:

"Thank God I got rid of Tammany Hall. I'm going to fight them as a Democrat. I'm going to run candidates in every area where there is a concentration of Negroes and Puerto Ricans in all five boroughs."

#### *"A twinge of remorse*

"It was just 6 months later that after promising Harlem Republicans he would run on the Republican ticket, POWELL began exploring ways by which he could justify a switch back to Tammany and the support of Gov. Averell Harriman against Nelson Rockefeller.

"Justification took the form of interviews with the leading candidates running in the crucial New York State election as to who would do most for civil rights. He saw Rockefeller, candidate for Governor; Louis Lefkowitz and Peter Crotty, running for attorney general; and Frank Hogan and Representative Kenneth Keating, running for the U.S. Senate. He told each Republican he couldn't support him.

"Keating he really wanted to support because Keating had led the civil rights battle in the House of Representatives. And Lefkowitz, as attorney general, had made personal tours of the polling places in the previous election to keep the Democrats from stealing POWELL's votes.

"Nevertheless under his agreement with DeSapio, POWELL was obligated to tell these men that in order to preserve his seniority in Congress he must desert them.

"When word of this got back to Harold Burton, Republican leader of Harlem who had agreed to put POWELL on the Republican ticket he was furious. And when POWELL refused to see him, Burton staged a giant outdoor rally around the corner from the Congressman's Abyssinian Baptist Church, at which he accused POWELL of a doublecross and called upon the congregation to renounce him as unworthy to be their pastor.

"Earlier that day, October 7, the mercurial Congressman from Harlem had proceeded to fulfill his promise to DeSapio that he would call a press conference and issue a statement previously OK'd by both DeSapio and Governor Harriman. Carmine had stipulated that this must be done before he would deliver any of the promised expense money.

"So after POWELL issued his statement and after Harriman and DeSapio issued one in return appointing him cochairman, with former Secretary of the Air Force Tom Finletter, of the Harriman-Hogan campaign, Ace Lennon was sent to DeSapio's Hotel Biltmore headquarters to collect \$50,000.

#### *"A lot of \$50 bills*

"He brought the money back to POWELL, all in \$50 denomination. The remaining \$50,000 was to be paid at the rate of \$100 a week over 10 years.

"POWELL then gave Ace the \$5,000 he had promised him for negotiating the deal. Ray Jones, POWELL's treasurer, was given \$7,500 supposedly for reimbursement of money he had advanced in POWELL's primary. Joseph Overton, a business agent of the Grocery Employees Union, president of the local NAACP, and comanager of POWELL's campaign, was given \$2,500 for money advanced. Reuben Patton, salesman for Burke Motors, who had loaned POWELL a Buick station wagon, got \$500, while Fred Weaver, an assistant to POWELL, was given \$50 because he happened to be present.

"Shortly thereafter, the Congressman told his church congregation how Charlie Willis,

former assistant to Eisenhower, had offered him \$50,000 of Republican money.

"I told him," POWELL shouted, "that no man can buy ADAM POWELL. I belong to my people."

"The congregation stamped their feet, clapped, and waved their handkerchiefs.

"What he didn't tell them was that he had taken \$50,000 from Willis in 1956 and a \$100,000 package from Tammany Democrats in 1958.

"And on almost any Friday if you're down at the Biltmore Hotel in the late afternoon you'll see Ace Lennon, convicted secretary to Congressman POWELL, coming down to Carmine DeSapio's headquarters to collect that \$100 a week which is part of the \$100,000 deal and is still being paid."

Mr. WILLIAMS of Delaware. Mr. President, I emphasize that I am not expressing any opinion as to the accuracy or the inaccuracy of these charges. I am merely pointing out that they have been made, and that in view of their serious nature, they cannot be ignored.

If they are true, the guilt of those responsible should be established and dealt with accordingly.

If not true, then those against whom the charges are made are entitled to a complete retraction, and those who made and those who printed the charges should be held responsible.

Since this Congress reconvened in January, the Senate spent nearly 3 weeks debating and passing S. 2436, the sole purpose of which was to guarantee cleaner elections.

For the past 3 weeks we have been holding long and sometimes continuous sessions debating the merits of a bill one purpose of which is to guarantee to every American citizen the right to vote.

Yet here before us we now have a serious charge that the voting rights of these same people about whom the Justice Department and the Congress are expressing so much concern may have been bought and sold in wholesale lots during the recent elections.

Here is a chance for the Senate to demonstrate its sincerity both in cleaner elections and in the voting rights of American citizens.

I send to the desk a resolution, the purpose of which is to authorize the Senate Rules Committee to conduct a thorough investigation of the charges as outlined in these three articles.

Mr. President, I submit the resolution, and ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be read.

The legislative clerk read as follows:

"Resolved, That the Committee on Rules and Administration, or any duly authorized subcommittee thereof, is authorized and directed under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of the charges, with a view to determining the truth or falsity thereof, which have recently appeared in the public press that certain persons have sought, through corruptly offering various favors, privileges, and other inducements (including large sums of money), to induce certain individuals to lend their political support to one political party rather than to another, or to become candidates of one political party rather than of another, and that the offers made by such persons have in fact corruptly induced certain of such individuals to change their political affiliations or to lend their political support to one political party rather than to another.

"Sec. 2. The committee shall report its findings, together with its recommendations for such legislation as it deems advisable, to

the Senate at the earliest practicable date, but not later than January 31, 1961.

"Sec. 3. For the purpose of this resolution, the committee, from the date on which this resolution is agreed to, to January 31, 1961, inclusive, is authorized (1) to make such expenditures as it deems advisable, and (2) to employ on a temporary basis technical, clerical, and other assistants and consultants."

The VICE PRESIDENT. Is there objection to consideration of the resolution?

Mr. DIRKSEN. Will the Senator yield?

Mr. WILLIAMS of Delaware. I yield to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, normally, of course, one branch of Congress does not take account of the activities and behavior of a Member of the other branch on the theory that each House, of course, is the judge of the qualifications, behavior and conduct of its own Members. But I think it must be said, in fairness to the resolution proposed by the Senator from Delaware, that it is a fact that these reports which are given wide currency and so freely ventilated in the press in all sections of the country become something of a reflection on the entire Congress as an institution.

Neither body in that sense escapes culpability in the eyes of the public when these charges are not refuted and when they are not rebutted. I believe that somehow, by some action, we should get to the very bottom of this subject.

As the Senator from Delaware so correctly points out, the Senate gave 11 full days, as I recall, to the discussion of the so-called clean elections bill. I was opposed to many portions of it, and finally voted against it, because I thought it did not come to grips with the real problems.

But certainly these reflections should not be permitted to continue without some action, without some answer, somewhere in the whole legislative establishment. Accordingly, recognizing the reluctance of one body to look into the affairs of its own Members, perhaps this is the only remedy which we have in order to sift the truth of these charges.

Mr. WILLIAMS of Delaware. Mr. President, I appreciate the feelings of the Senator from Illinois. I should like to add that I, too, recognize the points which he has raised; but I believe that not only the Congress but the whole governmental system is under fire, and that we have no alternative other than to recognize that these charges have been made, and that in all fairness to the parties who have been mentioned, we must clearly establish their accuracy or inaccuracy. It was for that purpose that I felt the resolution should be offered, and I believe it should be approved.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. CASE of South Dakota. Is it not also true that the charges which have been published in the press relate to the election of the President and Vice President, and that some of the alleged support involved support for or against certain candidates for the Presidency and Vice-Presidency?

Under our rules, is the Committee on Rules and Administration not charged with the investigation of charges pertaining to the presidential election?

Mr. WILLIAMS of Delaware. That is true. Primarily these charges do not involve the question of the election of a Member of Congress himself as much as they do the general elections. Therefore, I think it is very appropriate that we take the action I propose.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. JOHNSTON of South Carolina. Would the Senator's resolution cover a case similar to those with respect to examinations for postmaster? The names of the three highest

competitors are submitted, and then in the particular locality the Republican who is in charge of the appointments considers the persons having the three highest ratings, selects one, and says to him, "If you will organize a Republican club within your district we will consider you." Would that come within the purview of the resolution? If it would, I would favor the resolution.

Mr. WILLIAMS of Delaware. No, I do not think so. The resolution is directed more to the charges as contained in newspaper articles to which I referred. If the Senator from South Carolina knows of any abuse in the category he has described, I suggest that it be documented and a resolution presented to that effect, and I would support such a resolution. I have submitted this resolution to take care of the situations I have mentioned earlier.

Mr. JOHNSTON of South Carolina. Does the Senator from Delaware not believe his resolution at the desk should be further amended in order to include situations such as I have described? My committee is receiving a great many complaints of this nature. It will cost a large sum of money to make an investigation of these cases.

Mr. DIRKSEN. Will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. DIRKSEN. I should like to ask one or two questions about the resolution. First, the distinguished Senator from Delaware asked for its immediate consideration. Always, of course, I hope the Senate will not be charged with summary action in matters of this kind. That leads to two possible conclusions. One is to let the resolution go over until the following day. The other is whether the matter ought to be appropriately referred to the Committee on Rules and Administration, so as to let that committee, in turn, report the resolution under which the investigation would be made.

Mr. WILLIAMS of Delaware. I would have no objection to letting the resolution go over until tomorrow and voting on it then. In fact, that is what I expect and desire. I would not agree to having it referred to the Committee on Rules and Administration. That was my reason for asking for its immediate consideration.

However, under the rules of the Senate, only when the immediate consideration of a resolution is asked for and objection is made, does the resolution automatically lie on the table and go over until the next day. That is what I was attempting to accomplish; and I would be delighted to agree to that procedure. This procedure gives the Senate itself a direct vote on the question.

The reason why I do not believe it is necessary to refer the resolution to the Committee on Rules and Administration, whose right to consider such matters I respect, is that this is a moral question which the Senate as a whole should decide. The Senate is well aware of the charges which have been made. If we sit idly by and pay no attention to them, such charges will be believed, and there will be a breaking down of the confidence of the people in our election system. To a certain extent we are on trial. This is a question which the Senate itself should face.

I would have no objection to the resolution going over until tomorrow with the understanding that it will lie on the table and not be referred to the committee but will come before the Senate during the next morning hour for a vote.

Mr. DIRKSEN. Mr. President, will the Senator amend his request of the Chair accordingly?

Mr. WILLIAMS of Delaware. I believe that under the rules of the Senate in order to have the resolution laid before the Senate, it will be necessary for me to insist upon my request for immediate consideration and let some Senator object. It is a roundabout way to achieve results, but I have been advised that had I not asked for the immediate

consideration of the resolution, it would automatically have been referred to the Committee on Rules and Administration.

With the clear understanding that the Senator from Illinois will make a friendly objection, however, I am willing to let him make an objection in order to get the resolution into the parliamentary situation under which it may be considered at the next morning hour.

Mr. DIRKSEN. Mr. President, is the processor of the resolution in a position to request a modification of his request for its immediate consideration, so that it may come up on tomorrow rather than today? My interest in the matter, obviously, is a desire to make certain that every Member of the Senate is put on notice and is made well aware of the purport of the resolution and what is contemplated by it.

The VICE PRESIDENT. The Senator can obtain an order to have the resolution considered as a part of the routine morning business tomorrow, if the Senator desires to obtain such an order.

Mr. WILLIAMS of Delaware. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Delaware will state it.

Mr. WILLIAMS of Delaware. As I understand the rule, if I insist on the unanimous-consent request and it is objected to, the resolution will automatically be laid before the Senate tomorrow or at the next morning hour, and in the event the resolution were not acted upon during the morning hour, it would go to the calendar. Is that correct?

The VICE PRESIDENT. The Senator is correct.

Mr. WILLIAMS of Delaware. If we could have a unanimous-consent agreement which would accomplish that parliamentary situation, I would be willing to enter into it, but I was under the impression that if I ask unanimous consent and the resolution comes back tomorrow, it will be in the same situation it is in today.

Mr. DIRKSEN. The author of the resolution could ask unanimous consent to have it considered in the morning hour tomorrow.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that the resolution be considered in the morning hour tomorrow.

The VICE PRESIDENT. Is there objection to the request of the Senator from Delaware?

Mr. CASE of South Dakota. Mr. President, will that request carry with it the right to have the resolution go to the calendar, should there be objection?

The VICE PRESIDENT. If the resolution is not acted upon during the morning hour, it will automatically go to the calendar.

Mr. WILLIAMS of Delaware. That is my understanding.

The VICE PRESIDENT. Without objection, the request of the Senator from Delaware is agreed to.

Mr. JOHNSON of Texas. Mr. President, reserving the right to object, I should like to see if I understand the situation. Do I correctly understand that the Senator from Delaware does not contemplate that his resolution shall be referred to committee?

Mr. WILLIAMS of Delaware. The resolution would not go to committee under these circumstances.

Mr. JOHNSON of Texas. Does the Senator from Delaware have objection to the committee considering the merits of his resolution? Would that not be the normal procedure?

Mr. WILLIAMS of Delaware. It would if we were dealing with proposed legislation. In this instance I do not believe there is a Member of the Senate who would not have an opportunity, at least overnight, to familiarize himself with the serious charges which have been made in these news articles.



I believe the charges are such that we as Members of Congress cannot sit back without either confirming or repudiating them. I think this is a question which we as a Senate as a whole should decide. That is the reason why I have brought the matter up under this particular parliamentary procedure.

I respect the rights of committees as much as does any other Member of the Senate; but I believe this is a question upon which we as individual Senators should make a decision and not bypass our responsibility by referring the resolution to committee.

Mr. JOHNSON of Texas. Mr. President, as I understand the parliamentary situation, the resolution will go over a day; and tomorrow, if there is a morning hour, it will be laid before the Senate. Then the question will come on whether it can have immediate consideration or will be referred to committee. Is that a correct statement?

The VICE PRESIDENT. No; a motion to refer the resolution to committee would be in order.

Mr. WILLIAMS of Delaware. It could be referred to committee only on motion?

The VICE PRESIDENT. A motion will take precedence over agreeing to the resolution.

Mr. JOHNSON of Texas. So if a majority of the Senate felt that the matter should be referred to committee, a motion for referral could be made; and if the motion were adopted, the resolution would go to the committee?

The VICE PRESIDENT. The Senator is correct; and that motion would take precedence.

Mr. JOHNSON of Texas. Is such a motion debatable.

The VICE PRESIDENT. Such a motion is debatable.

Mr. WILLIAMS of Delaware. As I understand the Senate rules such a motion would also be in order today, so the fact that the resolution is carried over under a unanimous-consent agreement would in no way change the parliamentary situation. Is that correct?

The VICE PRESIDENT. The Senator is correct.

Mr. JOHNSON of Texas. I believe the chairman of the Committee on Rules and Administration should have information about the resolution, and I have notified him to that effect.

#### *Charges of political corruption*

Mr. HENNINGS. Mr. President—

The PRESIDING OFFICER. The Senator from Missouri.

Mr. HENNINGS. While I was temporarily absent from the floor, the distinguished occupant of the chair, the senior Senator from Delaware offered a resolution which was handed to me only a few moments ago which relates to investigation under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and undertakes to set forth the matter of jurisdiction as specified by rule XXV of the Standing Rules of the Senate, requiring that the Committee on Rules and Administration investigate certain matters with respect to the election, as I understand the resolution, of a Member of the House of Representatives, a Representative from the State of New York.

At this time I ask unanimous consent that this matter be referred immediately to the Committee on Rules and Administration.

Mr. WILLIAMS of Delaware. I object.

Mr. HENNINGS. I assure the Senator from Delaware, that I request such referral in the interest of orderly procedure, in the interest of established precedent, in the interest of determining the proper course of action to take upon this matter, the committee investigation and jurisdiction of such matters, according to the claim of the Senator himself as set forth in his resolution, that the Senate Rules Committee be given jurisdiction. I assure the Senator that I shall ask for a meeting of the committee during the present week at the earliest possible opportunity which we may obtain for the purpose of

considering the matter which the Senator has set forth in the resolution. I think, Mr. President, that a departure from this course would be a negation of the principle of orderly procedure. I think it would be a negation of the responsibility and indeed of the duty of the Committee on Rules and Administration, to have a summary consideration of this resolution without having it first referred to the committee which would have jurisdiction according to the provisions of the Senator's resolution. So far as I understand it, that committee may well have jurisdiction of the subject matter.

But I do believe that the committee should have an opportunity, as the Committee on Rules and Administration of the U.S. Senate, to give careful consideration to and determination of the subject matter of the resolution, the propriety of taking jurisdiction, or other questions presented.

Mr. WILLIAMS of Delaware. Reserving the right to object, I would say to the Senator from Missouri that I think this is a question which the Senate itself should decide. I respect the rights and duties of the committees, and I think the Senator knows that on many occasions I have gone further in protecting the rights of committees than perhaps he has. These charges have been made. They are so serious that we as Members of the Senate cannot shirk our responsibility. The whole Senate should go on record as to whether or not we want them investigated. If it were a question of legislation, I would respect the need for the committee's studying it, but this is not a question of legislation. This is a serious charge of payments and other items of considerations having been given in return for political support.

These charges are very specific, and they cannot be ignored.

As the Senator may well know if he has read these articles, there are specific charges:

No. 1, that in consideration of support of a political party in a national election the question was raised as to whether or not a tax violation would be prosecuted. The way a man votes, or his political party in no way is to be taken into consideration when you determine the question of prosecution. Now, I certainly would hate to believe that this was done; but the fact is, it has been charged.

Another specific and serious charge is that there were substantial payments made in return for political support. I think this is something we in the Senate, who recently passed a clean election bill, should want to examine. The Senator from Missouri was chairman of the committee that reported this bill, and I supported him. If we are in favor of clean elections, and if we are in favor of the right of every American citizen to vote, let the Senate act.

Mr. HENNINGS. Would the Senator yield for an observation?

Mr. WILLIAMS of Delaware. I yield.

Mr. HENNINGS. As the distinguished Senator from Delaware well knows, I have the highest respect for him. He and I have been friends since I first came to this body. I might say parenthetically that I believe I have seen the subject Representative Member of the House of Representatives from New York only once in my life. I do not recall ever having had a conversation with him. I mention that only to indicate that I have no interest whatsoever in the matter insofar as any ad personam aspect could be.

Mr. MANSFIELD. Will the Senator yield so that I may ask unanimous consent that the morning hour may be extended another 5 minutes?

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

Mr. HENNINGS. I thank the distinguished Senator for his consideration. I have read the articles which have appeared—how carefully I hesitate to say—I have scanned them certainly and in a general way am familiar

with what they undertake to allege and set forth. They were published by Mr. Drew Pearson in the Washington Post in recent days, if we can count "days" in these times. I would entreat the Senator, if I may, to trust the Committee on Rules and Administration to undertake to make a proper surveillance and have a proper consideration of this matter. We are undertaking, if the Senator's resolution is to be acted upon favorably, to investigate a Member of the House of Representatives—

Mr. WILLIAMS of Delaware. No; if the Senator will yield; I do not think so.

Mr. HENNINGS. Or a presidential election?

Mr. WILLIAMS of Delaware. The matter certainly comes under the jurisdiction of the Senate committee. The fact that one of the individuals involved may have been in the House of Representatives is not material. His own election is not involved. This is not something involving a question as to whether there may have been something improper in his election. The question involved deals with national elections and is clearly something which comes under the jurisdiction of the Committee on Rules and Administration.

I have great confidence in the Committee on Rules and Administration, the chairman of which is the distinguished Senator from Missouri. That is why I was enthusiastic in requesting that the Senate authorize that committee, which has jurisdiction over such questions, to conduct the investigations.

As I understand the law there is no difference in the guilt of a man who pays and in the guilt of a man who receives.

Mr. HENNINGS. The Senator is entirely correct.

Mr. WILLIAMS of Delaware. So this resolution is not aimed at any one individual. It is aimed in the direction of trying to ascertain the facts as they affect the individuals involved. I hope they will all be cleared. But if they are not cleared, if there is any guilt, wherever it may be, let us find out.

Mr. HENNINGS. The Senator serves on at least two very important committees of this body. Would the Senator, for example, if I may undertake to cite a parallel case, feel it proper for this body to direct one of his committees, to do thus and so, without the committee's having an opportunity to decide whether it should do thus and so and assume jurisdiction? Is it not an invasion of the province and the proper sphere of the organization of the committee system of the U.S. Senate to have a resolution directed at a certain committee—any committee—to do thus and so with respect to a given matter, the facts of which none of us at this time knows?

I give the Senator my personal assurance that I will call a meeting of the committee for the consideration and determination of the subject matter involved in the resolution if the resolution is referred today to the committee.

I think the Senator might consider the fact that there are other members of the Rules and Administration Committee who might have various views to express. I have no way of telling what the committee is going to do. But I believe it is my duty, as chairman of the committee, certainly to try, as zealously, within the bounds of propriety, as I can, to guard the prerogatives of the committee and to guard against the precedent which might be established by directing a committee to do a given thing with respect to a given individual.

For that reason, I again say that, if the Senator will accept my word—and I will give it to him—I will call a meeting tomorrow, indeed, or the next day, as soon as we can get a quorum of the members of the committee together, and get unanimous consent to sit as a committee, and that the subject matter of the Senator's resolution will be brought to the attention of the committee as the sole and only business of the committee at that meeting.

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

Mr. HENNINGS. I am glad to yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the morning hour be extended for another 5 minutes.

The PRESIDING OFFICER (Mr. COOPER in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. HENNINGS. Of course, if the Senator is adamant, I would then be in the position, as I understand the parliamentary situation to be, of having to object to immediate consideration of the resolution at this time, at which time thereafter, if there should be a morning hour tomorrow, by unanimous consent, the Senator's resolution will come before the Senate, subject to a 2-hour limitation of debate.

Mr. WILLIAMS of Delaware. Mr. President, I stated earlier that I had no objection to the resolution going over until tomorrow for a vote. The only reason I asked immediate consideration of it, was that under the rules of the Senate, in order to get it before the Senate, the sponsor of the resolution must ask for its immediate consideration. Then, if objection is made, it lies on the table until the next day, or the next morning hour, and then it is automatically laid before the Senate for a vote.

That is why I asked for consideration of the resolution today knowing that with this objection it would be carried over until tomorrow. I repeat this is a matter on which the Senate should act. The reason why the Senator from Missouri was not consulted was that he has been in the hospital recently and therefore necessarily absent during recent sessions.

Mr. HENNINGS. I was on the floor this morning during the morning hour.

Mr. WILLIAMS of Delaware. I did not see the Senator. I did not look for him because he had been away for several preceding days.

Mr. HENNINGS. I have been here all week.

Mr. WILLIAMS of Delaware. That is only 1 day, and I did not see him then.

Mr. HENNINGS. I was here. I answered all the calls yesterday.

Mr. WILLIAMS of Delaware. The Senator from Missouri has the balance of today and tonight to look over the charges. I am sure the Senator will agree that they are very serious.

Mr. HENNINGS. I have no question they are serious charges. I have been a district attorney. I understand the gravity of the charges. I have participated in many election investigations involving expenditures of money and allegations with respect to voting, registration, and acts which are violative of the election process.

I know the Senator from Delaware supported the so-called clean elections bill, which emanated from the Committee on Rules and Administration. I think he and I are of one mind on the general proposition relating to the improper use of money in elections.

Again I would say to the Senator I believe it is certainly my duty, and I believe it is certainly within the bounds of propriety, for me, as a member of the Committee on Rules and Administration, to ask that we be given an opportunity to meet as a committee, and not be delivered an edict that we immediately proceed to the consideration of a given matter, without determining whether or not the matter is one for consideration at this time, at some other time, or at any time at all by our committee.

I do not believe in transcending the normal process of committee consideration. Incidentally, the resolution, of course, if ultimately considered, would be before the Subcommittee on Privileges and Elections, of which the distinguished senior Senator from Rhode Island [Mr. Green] happens to be chairman.

The Committee on Rules and Administration has a very respectable and vigilant and able representation of the Senator's interests. I can assure the Senator the matter will be considered as judiciously, as impartially, and as objectively—I can promise only for myself—as I can consider any matter. But I had hoped the Senator would give the committee an opportunity to function as a committee should, within the established procedure and precedence of the Senate, in matters of this kind.

Mr. WILLIAMS of Delaware. I only ask the Senator to direct some of his great legal talent toward studying this matter overnight. I am sure that tomorrow he will be one of the most enthusiastic supporters of the resolution.

Mr. HENNINGS. The Senator, then, objects to my unanimous-consent request that the matter be brought before a meeting of the Committee on Rules and Administration, to be called tomorrow or the next day, or at the earliest possible time at which a quorum may be present?

Mr. WILLIAMS of Delaware. The Senator knows that there have been no committee meetings for the past 10 days and that the chance of calling any committee meeting tomorrow or the next day is very remote.

Mr. HENNINGS. No. If I thought so, I would be less than sincere.

Mr. WILLIAMS of Delaware. Would the Senator try to get unanimous consent to have a meeting tomorrow?

Mr. MANSFIELD. I ask unanimous consent that the morning hour be extended 1 more minute.

The PRESIDING OFFICER. Without objection, it is extended 1 more minute.

Mr. HENNINGS. If I thought the chance was remote, I would be less than candid, and I would be properly charged with insincerity. I am certain we have the assurance of the majority leader and the minority leader that so far as they are concerned there would be no objection to the Committee on Rules and Administration sitting to consider this matter. If that assurance is forthcoming, then the committee can meet tomorrow and determine whether this is a matter of which the committee desires to take jurisdiction and to proceed with. But I do think that the committee is entitled to decide that for itself.

Mr. WILLIAMS of Delaware. Mr. President, in line with the previous unanimous-consent agreement, I insist on the resolution being called up tomorrow.

The VICE PRESIDENT. The resolution will lie over under the rule.

#### INSIDE THE POLICY RACKET

(Extension of remarks of Hon. ADAM C. POWELL, of New York, in the House of Representatives, Thursday, March 10, 1960)

Mr. POWELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the New York Post magazine of March 8, 1960:

"INSIDE THE POLICY RACKET—ARTICLE VIII  
 "(By Ted Poston, with Alfred Hendricks, Irving Liberman, and Richard Montague)

"The multimillion-dollar shakedown racket which crooked cops operate for the protection of the numbers game is a major source of low morale in the police department.

"As one authoritative source pointed out early in this newspaper's inquiry into the racket:

"How would you expect an ordinary policeman to feel about his job when he knows a fellow cop is knocking down three or four times his basic salary by being on the pad (the approved list of protected policy spots)?

"Take two chaps who come out of the police academy together. One, say, winds

up on the juvenile aid bureau. The other goes on a vice squad.

"The first may buckle down and do his best to perform his duties. He may even apply himself and earn promotion. But even if he makes sergeant or lieutenant and remains honest, he can't hope to approach the income of his fellow graduate who made the vice squad, even if that guy remains a plainclothesman.

"How long do you expect a man to remain honest under those circumstances?"

"The Post investigation indicated that many policemen are forced to join the racket or be branded 'finks' or 'shooftys' by their grafting colleagues.

"Take the experience of a sergeant who was transferred from a Bronx precinct to Harlem.

"This man had no connection with Sammy Schiltz' Bronx policy empire or with any of the other rackets in that borough," a Post source recalled. "So he immediately fell under suspicion when he was sent to the Harlem station.

"For the first week of his new duties in Harlem everybody gave him a wide berth. Then one day when he reported to work and opened his locker an unmarked white envelope fluttered to the floor. He opened it and pulled out a crisp \$100 bill.

"Flabbergasted, he turned around to see everybody watching him intently. He asked if anyone had accidentally put the envelope in his locker. No one said anything. They just sat there watching him.

"Finally, when he went through the station house seeking the bill's owner, a lieutenant snapped at him:

"Aw, put that money in your pocket and shut your yap. What the hell are you trying to pose as? A fink from the commissioner's office?"

"One story widely known in the police department illustrates how law enforcement and discipline can actually break down when thieves fall out and the cops can't call the cops.

"The story involves a plainclothes woman who was assigned to a geographic subdivision of a borough where vice squad cops were receiving an estimated \$300 a spot monthly from every 'protected' policy location in the area.

#### "Double share

"The woman, married to a policeman, immediately made guarded inquiries about the pad, and her 'share' from her fellow officers in her new assignment.

"She was assured that nothing like the pad existed and that there were no 'shares' for anyone from the policy racket. But as the wife of a policeman she was not satisfied.

"If they think they're going to build a bridge over my nose," she told a veteran policy figure, "they've got another think coming. I'm going to get mine and I'll get it straight."

"Armed with her badge, her service revolver and a quiet determination, the plainclothes woman began systematic visits to every grocery, tailor shop, bar or other protected spot in the area. And in each place, she stated her case bluntly.

"They tell me you're not on the pad," she said quietly, "but I know better. Now if you don't want all hell to break loose where you are concerned, you are going to take care of me, and my husband too. And if you think I'm jiving, just try me."

"The East Harlem syndicate, which now controls most of the numbers spots in the area, was not as firmly established in its relationships with the cops then as it is now. So consternation flourished.

"A man who followed the case closely told the Post the eventual outcome.

"She buffaloed them all," he said. "While her superiors and squad members were trying to figure out some way to cut her into



the actual pad, which they had denied existed, she scared the spot operators so badly that they had to set up an individual pad for her. And she made them double the "share" to include her husband, although he had never worked on policy or gambling.

"They got her money together weekly—not monthly as is the usual practice—and they turned it over to the owner of a nightclub where she picked it up regularly."

"The case of the persevering plainclothes woman might have had a happy ending for her, except for one thing—

"She just couldn't stand prosperity," another source recalled. "She'd come into the nightclub to collect her pad, and then she'd have to run-'em-around-the-bar for everybody. In the process, she became very buddy-buddy with some pretty tough characters."

"One night she came into the club with (a prominent Washington policy baron) and her old man was in there waiting for her to collect and give him his take. One thing led to another and she got mad and raised so much hell that the owner had to call the cops. They came and got her but they didn't take her to the station house."

"The woman was taken around the corner to an empty hallway and held there until a higher police official arrived. Almost sober by then, the policewoman reportedly told this official:

"Go on and book me. Or bring me up on charges. And I'll blow the whistle on the whole pad."

#### "Off the pad"

"The next day she was back at her post as if nothing had happened."

"But the story didn't end there."

"Estranged from her husband, the woman cop established a liaison with a well-known confidence man who was working out a system to fleece the single action operators (small policy bankers who pay 8 to 1 on any of the three digits composing the day's official number, or 60 to 1 on 'bolita' or combination or two of the three digits).

"With the lush graft collected from her individual pad—she still collected for her husband, too, but had cut him out of the take—she helped buy a garage and filling station for her new love, plus extensive electronic equipment for the swindle he had devised."

"The swindler planned to use the short-wave equipment to have a confederate flash him the first number after the third race totals at Hialeah, so that he could make last-minute sure bets on it with unsuspecting single action bankers."

"The police got wind of the scheme, however, and tapped the swindler's phones. While seeking evidence against him, they heard many a torrid conversation between him and his plainclothes mistress."

"Police raided the filling station and the swindler's home and confiscated the electronics equipment. Papers seized in the raid also established the policewoman as co-owner of the filling station."

"The swindler, since deceased, was arrested. And the plainclothes woman was called in for an all-night session of questioning. Again, she played the old record:

"You book me and I'll blow the top off the whole police department," she said. "You push me in a corner, and I'll tell the whole world who gets what, when, and how much."

"They didn't book her."

"But she didn't get off scot free this time. She was assigned to desk duty and paperwork, automatically cutting off her personal pad."

"This woman's extraordinary feat was duplicated on a smaller scale in another area in another case unearthed by the Post investigation."

"There a Negro plainclothesman was assigned to a morals squad unit, one of two Negroes 'integrated' into the all-white out-

fit. In this case, the old hands couldn't deny the existence of the pad but the new men were told that only five 'spots' were on it."

#### "He got his"

"The cop didn't believe it, of course. One by one, he proceeded to 'knock over' protected policy spots in the area, while nabbing an occasional bookmaker on the side. In almost every case, the man arrested would complain:

"What're you trying to do? I'm on the pad."

"And the cop would retort: 'Whose pad? You ain't on mine. Nobody told me anything about you.'"

"The retired numbers banker who told the Post this story chuckled at the recollection:

"That guy raised so much hell like that that before 3 months had passed they had to put him on the full pad for the squad. But they never forgave him, and a year or so later they busted him down to a foot cop in uniform. Which meant, of course, that he could never make plainclothes again."

"But the last time I saw him, he wasn't too unhappy, even though he was still pounding a beat."

"I got mine," he told me, "I'm just waiting to pack it in (retire)."

"Post reporters uncovered similar cases during their 2-month investigation. One Harlem cynic summed it up neatly:

"When thieves fall out—in the police department—it doesn't necessarily follow that honest men will get their due."

#### INSIDE THE POLICY RACKET

(Extension of remarks of Hon. ADAM C. POWELL, of New York, in the House of Representatives, Friday, March 11, 1960)

MR. POWELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the New York Post, March 10, 1960:

#### "INSIDE THE POLICY RACKET"

"(By Ted Poston with Alfred Hendricks, Irving Lieberman, and Richard Montague)

"Have all the Negro bankers been driven out of Harlem's lush numbers racket through police connivance with white racketeers, as Representative ADAM CLAYTON POWELL, Jr., has charged?

"No. There are still some Negro policy banks in operation. Several of them have been listed in the Post's series on the alliance between corrupt police and the policy barons."

"But this does not completely discount POWELL's charges. The number of Negro-controlled policy banks have been reduced from about 3 dozen to less than 12, and some of the remaining ones are suspected of domination by the East Harlem mob which controls the citywide game."

"The fate of a handful of Negro bankers, of course, hardly accounted for the most startling revelation of the Post's investigation into the policy racket."

"The corruption which makes for collaboration between crooked policemen and policy bankers goes well beyond the borders of Harlem. The Post team found that it extends throughout the city, and, in many ways, permeates the police department."

"The pattern of corruption is often established even before a rookie enters the department, and in some instances, it continues years after a veteran leaves it."

"A Negro ex-cop recalled his experience at the police academy for the Post."

"There were quite a few of us Negroes in our class," he said, "and most of us were puzzled over the number of our white classmates who said they wanted to work in Harlem when they graduated."

"At first I thought they were just trying to be nice, although I felt they were really being a little condescending, but when they

started talking about the money that could be made in Harlem, we got the drift."

"You can believe me or not, but I first heard of The Pad [the multi-million-dollar policy protection racket] in the police academy, of all places. Then I found out something that shook me up more. I found that many of these guys had actually been recruited for the force by friends and relatives who were already on the take in the department."

"One fellow told me how he had planned to study law at first. But an uncle, who, although a plainclothesman, had made more money than anyone in the family had ever dreamed of, put him straight."

#### "Uncle knew best"

"My uncle told me," this boy said: "You go on to the academy and get on the force and I'll see you make enough money not only to put yourself through law school in style, but to pay the rent on a downtown law office while you get your business started."

"And, you know, I think he did just that."

"Some Negro policemen, past and present, complained to Post reporters that they were discriminated against in the parcelling out of policy graft. 'The white boys try to keep it all for themselves,' they said, observing, seriously, that Negroes on the force often were denied equality of opportunity even in the matter of making a fast buck."

"Yet the Horatio Alger of the hustlers in the policy grab turned out to be a young Negro cop who never rose above the rank of plainclothesman but retired in 8 or 9 years with more money than many successful honest men accumulated in a lifetime."

"This man went almost directly from the police academy to the staff of a high ranking official and the graft came fast."

"A recently retired Negro numbers banker with whom the plainclothesman was friendly recalled the other day the cop's decision to leave the department."

"He had been called down to District Attorney Hogan's office and sweated about the pad," the banker said, "and they really shook him up down there."

"He made up his mind then and there that he was getting out, but his boss urged him not to. The boss asked him to stay on just 1 more year. 'By then, I'll be ready to pack it in, too,' the boss said. But my man said he'd had it, so he quit anyway."

"The ex-plainclothesman is now a very successful businessman and coowner of a plush supper club."

"Of course, when a plainclothesman leaves the department after serving the expected number of years, he doesn't necessarily have to leave the pad completely. If he was a 'standup guy' when he was on the force, he can work as a 'bagman' for the various squads preying on the policy game, earning as much as \$25 per spot just for picking up the monthly graft for his associates on the pad."

"Ex-Sgt. Joseph Luberda, for one, made a lucrative career as a 'bagman' until he got drunk one night and was picked up by State police with over \$19,000 in cash and a list of the Harlem spots on the pad for which he had been collecting."

"Luberda's arrest sent more jitters through the department than anything since the exposé years ago of the Harry Gross book-making empire in Brooklyn, but Luberda went to prison rather than name the police officials for whom he was serving as 'bagman.'"

"Before the East Harlem mobs took over major control of the Harlem game, Negroes, including some bankers, served as 'bagmen' for the grafting squads."

"A well-known Negro nightclub owner was once the 'bagman' for most of the community."

"When the money got so big and the take so fabulous," one ex-banker said, "the boys

decided that they were better off with one of their own handling the bag. And the East Harlem guys went along with the idea all the way. They didn't want any Negroes to know too much about their operations anyway.'

"As for the recruits on the force, a rookie who doesn't happen to learn about the pad while studying in the Police Academy can't remain ignorant of it more than a few days after he gets his first assignment, the Post found.

"One authoritative source put it this way:

"One of the first things the kid will find out is that he can't even make a legal arrest without it costing him money. If he doesn't slip a few bucks to the right person in the station house, he'll find himself swamped under with paperwork. If he doesn't see the man in charge of rollcall, he may find himself exiled to a deserted beat. If he doesn't see the right man in court, he'll find his case put on the bottom of the calendar and have to spend all day warming a bench in court.

"This whole system of cops grafting on cops is a direct outgrowth of the pad. The guys inside the station house know that the boys outside are pulling it down and they feel entitled to get a taste of the take themselves.'

#### *"The taking ways*

"Now to get back to Harlem and the sunset of the Negro policy bankers.

"It is true, the Post found, that the pad has priced many Negro bankers out of the Harlem policy business, and that the police have helped to consolidate the racket in the more lucrative hands of whites. But there were other factors, too, as one veteran policy man explained.

"One of the ways the white mobsters took the business over," he said, "was by getting the Negro bankers into 'peonage' through loans. Once a Negro banker got in hock to a white mobster, he had to stay in line.

"If he tried to stop working for the white bank and took his action elsewhere, the white man would contact all the other white banks, and order the would-be rebel frozen out. No one would touch his business when this happened. And some Negroes who tried to switch were dealt with more directly. They just had the hell beat out of them.

"What the whites had, and still have, is organization. Even the cops know when a Negro is in bad with the white bankers. And when you're in bad, the cops help put you out of business with harassment and arrests. They'll even carry 'dead' policy slips around in their pockets, and if the word is out to get you, they'll plant them on you even if you insist on being taken to the station to be searched.'

"And how do many Negro bankers get into hock? One observer put it this way:

"Too many Cadillac cars, fur coats, high living, women, and Harlem society stuff. The big white boys go around looking like bums and banking their loot. The Negro boys think that even a Brooks Brothers outfit is bargain basement stuff. Then one big 'hit' and 'bang.'"

"A veteran policy player, a woman, touched on that last point.

#### *"Hit and run*

"You spend your money playing with these Negro banks and you hit them big and can't find the runner, the controller or the banker," she said. "That's why I leave my play in a spot. I know that if I hit, they ain't going to close up the grocery store or the fruit market or the bar where I played. I'm as much of a race woman as the next one, but when I gamble my money I want to be paid.'

"A cynical single-action man termed the white mobsters' success 'a matter of public relations.'

"You hit one of these white cats," he said, "and they pay you off in brandnew crisp \$10 and \$20 bills. You hit one of these darker brothers and if you get paid at all, you might have to take some old greasy, crumpled up bills and maybe part of it in quarters and halves.

"Now when you see that sawdust, you know that the mill can't be far behind.'

"In the Bronx, one operator said that the East Harlem higher-ups had ordered their white operators to get out and 'socialize' in the Negro community, visit the bars and order the barmaids to run 'em around for the house.

"One cat," he said, naming one of Harlem's biggest white bankers, "maintains at least two Negro girl friends that he takes around and introduces as my wife or my old lady. I don't think that's doing him much good though. Some of the brothers don't like it.'

"The few Negroes left in the game are not exactly starving, of course. One of them summed it up whimsically this way:

"If I had it all to do over again, I don't think I'd go into the numbers business. I think I'd just graduate from the police academy and become a lowly cop.

"Then I'd be guaranteed to get my dime out of every dollar that's bet on the figures. And I wouldn't have to worry about the odds, or paying off bets, or splitting down the line with anybody.'

#### **POLICY: HOW THE "BANKS" WORK**

(Extension of remarks of Hon. ADAM C. POWELL, of New York, in the House of Representatives, Friday, Mar. 11, 1960)

Mr. POWELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the New York Post's daily magazine of March 9, 1960:

"(By Ted Poston, with Alfred Hendricks, Irving Llieberman and Richard Montague)

"The citywide numbers racket here is at least a quarter-billion-dollar business, but the profits are no longer as astronomical as they were in the old days.

"Operating expenses eat heavily into the daily gross, the Post investigation showed. The biggest single bite is in the stiff payments to those vice squad cops who operate the pad, the multimillion protection racket for the policy banks.

"Once the police have gotten theirs 'off the top,' today's policy operation is faced with strong fixed expenses which must be deducted from the gross take which pours in 6 days a week. A table of organization for the average operation runs like this:

"The runner: He collects numbers bets in specific places, such as apartment houses, tenements, offices, factories, or street corners. Since he deals directly with the public, like a bank teller, he is most often the man arrested. The runner gets a commission of 25 cents on every dollar in bets he collects, and he turns his 'book' over to the controller. Few runners have contact with a policy banker; usually, they don't even know who the actual banker is.

"The controller: He is the branch manager of the bank and handles the business of the runners. One controller may have as many as 100 runners and he gets 10 cents on every dollar they turn in to him.

"The ordinary controller may operate from his home, several ever-changing apartments, a bar or another designated spot. He is regarded in the industry as 'the man with all the headaches,' for in most cases, he must take care of the cops in his area, the lawyers and bailbondsmen in the 'accommodation arrests' which are necessary to protect the pad. And he must also make good any shortages in cash which the runners may come up with.

"Spot controller: This is a controller who operates without runners but takes bets across the counter in a tailor shop, grocery, fruit market or any other protected location on the pad. Because no runner's commissions are involved in this operation, the spot controller keeps 35 cents out of every dollar played. This is the kind of operation favored by the syndicate, which has brought the bribery setup to its highest point of perfection. But a spot writing less than \$300 a day in numbers won't cover its own costs.

"The banker: This is the president, the chairman of the board. He puts up the money to operate the policy bank, collects his 65 cents on every dollar, and pays off all hits. He has to be able to put his hands on large sums of money at any time, so many policy kings finance their ready-money business from the cash receipts of the related narcotics trade.

"The banker is the man who sets up 'connections' with the cops on the take. In most cases, the bank is responsible for the heaviest higher level payments to the pad, but where the controller receives 10 percent, the latter must pay the bite from the cop on the beat on up through the precinct.

"Policy barons usually maintain their banks outside the area in which they have the most spots as their base of operations. As one of them put it, the vice squad cops will say: 'Don't keep your bank in our area. If it's located there, we may have to raid it. And if we don't raid it, we may have to explain why. We'll protect your spots but take your bank elsewhere.'

"As a result, most of the major banks are in New Jersey, Westchester, Nassau, or any adjacent center outside the five boroughs.

"Although the runner, the controller, and the banker are the important cogs in the policy operation, there are also others who make their livelihood from it:

"The writer: He works in one of the spots and writes the bets as the players come in off the street. He has to be able to write quickly and legibly, add swiftly, and have a flair for figures. He is paid a minimum of \$85 a week.

"Lookout man: He keeps an eye out for uncooperative policemen and steers the customers to the new spot when an old location is changed or busted. He generally gets \$10 a day for this chore but can earn more by taking on other duties.

"Pickup man: This is the one who takes the 'works' (policy slips) from the controller to the bank. In Harlem, women are used mainly for this task. The controller furnishes cab fare and pays about \$40 a week to each pickup man, but the pay is higher when the 'works' are large. Of this operation, one numbers man said:

"This is another point where the cops on the take can get an extra taste from the business. Between 1:30 and 2:30 in the afternoon—especially in Harlem—those cops are so busy shaking down cabs with only one passenger in them that anybody else could run off with the rest of the community.

"If they catch a pickup man or woman with the 'works,' they'll hold on to it until a call goes through either to the controller or the bank. If the cop himself is on the regular pad, he may release the 'works' in time for the final figure for about \$50. But some of the freebooting cops have demanded and got as much as \$500 for surrendering the 'works' in time.'

"Payoff man: He is the guy who collects the winners' money from the bank and makes the payoff. This may take place in the spot where the original wager was placed, but often a 'payoff station' is established in a nearby bar during certain specified evening hours. This is considered good public rela-



tions so that unlucky suckers can see that it is possible to hit the number and maybe get as much as a 600 to 1 payoff (on a 1,000 to 1 gamble).

"The payoff man, who gets about \$100 a week, must be a solid citizen who can ward off hijackers and stickup men. And, of course, he must be trustworthy. One Harlem bank is still looking for a payoff man who ran away with \$14,000 in 1 day's hits.

"Tenant: An apartment dweller who lets a controller use the premises for a few hours each day to tally up the policy slips before sending the 'works' to the bank. The tenant is usually an employed person who is away from home during this time.

"There are hundreds of such apartments in use all over the city. The controller may pay the tenant's rent—or perhaps \$10 a day—for the privilege.

"Adders: They work inside the actual bank itself and operate the computing machines and other modern office equipment to make up the 'ribbon' which is the total list of the day's bet. More highly skilled employees calculate the percentage of hits daily and the profit and loss. These office workers average about \$75 a week, and each bank or subbank has a manager, who gets about \$125 a week.

"Many of the runners and some of the controllers also work part time as single action bankers, offering odds of 8 to 1 on any one of the three official digits (in order) or 60 to 1 for a 'bolita,' or any combination of two of the three official figures.

"Many of these margin operators use money they have collected (runners) or sums held for the bank (controllers) to bank their single action. This often accounts for the 'shortages' which the controller must make up in his weekly report to the bank. For to prevent seizure by the cops, both honest and dishonest, most controllers send in the policy slips daily and hold the week's cash accounting for Saturdays.

#### "And more to come"

"There are other single action bankers—many of them former full member bankers whose operation has been taken over by the East Harlem mob—who deal exclusively in this operation. They will take bets of from \$2 to \$1,000 on any chosen number.

"Single action is predominantly a Negro operation and is estimated to involve about \$15 million to \$20 million in wagers each year. Although some large white banks have been moving in on the larger bets, the syndicate generally shys away from it here because single action is too complicated to handle.

"Single action, however, is the backbone of another operation which is part of the expense sheet of the swindle. This involves:

"Service men: A 'service' maintains employees at the specified 'numbers' race-track—Hialeah in Florida is the designated one now—to furnish the banks, especially the single action bankers, with each official number as it comes out.

"The men at the track maintain an open telephone line to the New York 'service,' which sells this information to the bankers and single action men.

"For three individual digits a day, 6 days a week, the service receives \$20 a week from each client. The East Harlem mob maintains its own service, which is available to its West Harlem outlets, but most Negro single-action bankers prefer to buy their service from a member of their own race, who, in turn, employs several 'wiremen,' operating from rented private phones, to rush the digits to the single-action bankers between races.

"Another major expense for the bankers and the controllers in the daily operation of the racket is the legal costs for the runners and other employees who may be arrested—even those who are taken under accommodation arrests.

"Several banks are assessed a specified number of arrests each month by the crooked cops operating the pad, to meet quotas for the official police records.

"Each wino or junkie, or anyone else who accepts the role, must be paid \$50 a 'bust' when he takes a stand-in arrest for a policy employee. In addition, the lawyer and bondsman in each case usually get \$25 apiece.

"In the case of a legitimate arrest and a conviction and jail term, the expenses are much higher, for if a runner with a good book is picked up and sent away, the industry must arrange to take care of his family until he gets out.

"The amount given the family depends upon the size of the runner's book. It usually averages about \$50 a week. A good controller, accustomed to a higher standard of living, can expect his family to get from \$75 to \$150 a week if he goes to jail.

"In the case of an infrequent arrest of a banker, the East Harlem mob may take over his bank, put his profits away for him, and give him an accounting on his return.

"In any case, none of today's policy barons are likely to come near the \$10 million which Al Adams, their predecessor, salted away after muscling in on the game, back in the gaslit days, in much the same way that the syndicate has taken over the citywide operation here. The overhead is too high now."

#### VICTORY OVER THE GAMBLING SYNDICATE IN NEW YORK

Mr. POWELL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include a series of articles from the New York Post.

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

There was no objection.

Mr. POWELL. Mr. Speaker, I take this opportunity of submitting a brief report on the tremendous success of my drive against the syndicate and the mafia that have controlled gambling in New York City for the past year. I use as my background first a series of articles that appeared in the New York Post last week in which in the opening article they said this with respect to the drive that I initiated here in Congress in January:

"Nobody, not even Thomas E. Dewey, has hit the business as hard as it is hit now."

Also:

"At least 60 percent of the bars, stationery stores, groceries, luncheonettes, newsstands, poolrooms, and other protected locations have gone out of the numbers business altogether—at least for now.

"The remaining 40 percent of the numbers spots are doing less than half their former business.

"The \* \* \* \$2,500 per month for each protected spot \* \* \* has been suspended."

This is the way the series of articles began in the New York Post:

"[From the New York Post, Apr. 18, 1960]

"(Article I)

"SECOND LOOK AT A RACKET: NUMBERS GAMES HARD HIT

"(By Ted Poston with Al Hendricks and Irving Lieberman)

"The lush citywide numbers racket, grossing an estimated \$250 million a year here just 3 months ago, has plummeted to new low depths, a resurvey of the racket by the Post disclosed today.

"Six weeks after the Post exposed the pad—the multi-million-dollar shakedown racket through which crooked vice squad policemen furnished open protection for policy spots and locations—a fresh look revealed these facts:

"At least 60 percent of the bars, stationery stores, groceries, luncheonettes, newsstands, poolrooms, and other protected locations

have gone out of the numbers business altogether—at least for now.

"The remaining 40 percent of the numbers spots are doing less than half their former business.

"The pad itself—under which crooked cops systematically collected an average of \$2,500 per month for each protected spot (even if only an agreed-upon tenement hallway)—has been suspended, temporarily at least, by the racketeering police officials who directed it.

#### "Things are tough all over"

"And open warfare has broken out between the longtime numbers barons and those cops who for years were chiefly responsible for the protection and perpetuation of the policy racket.

"Nobody, not even Thomas E. Dewey (ex-racket buster) has hit the business as hard as it is hit now," said one prime source who had helped the Post in its original investigation, touched off by Representative CLAYTON POWELL's charge that police were cooperating with white racketeers—mainly Italian—to drive Negro bankers out of the Harlem business.

"Dewey was out to get Tammany Leader Jimmy Hines, and he got him," the Post source said, "but nothing like this has happened in the 40 years I've known this business. It's tough all the way down."

"The Post series, which has been credited with helping the legislature to strengthen existing laws against policy and bookmaking, was only one of several factors in the current crippling of the racket.

"Almost simultaneously with the Post publication of the first of 10 articles on the pad last February 29, Presiding Justice John M. Murtagh, assuming his new post in special sessions, began to crack down on the policy operators brought before him.

"In the same courtroom where 3 days before 14 policy offenders had walked out free after paying fines from \$25 to \$300 in each case, Murtagh jailed the first 6 men brought before him—3 for 90 days each, 1 for 6 months and another for 30 days and the sixth for 15 days.

"Murtagh also highlighted the operations of certain policy lawyers and the open connection between bondsmen and the organized racket, spurring District Attorney Hogan's continuing investigation into these tieups.

#### "And that's an order"

"The top-level order to shut down the pad came with dramatic and unexpected suddenness on March 1, when the second article of the Post series listed the exact sums extorted daily and monthly by crooked cops to let the game operate 'legally.'

"These ranged from the \$2 daily to the cop on the beat on up to the \$300 a month paid to members of each of the top four vice squads in the police department, not to mention the \$625 a month demanded by certain vice squad plainclothesmen in one police division.

"One veteran operator, who very recently retired after spending most of his adult life in the policy business, told how he received his orders.

"It was the second day of the Post series," he recalled, "and I hadn't even got a chance to read it before I got the call. The man said simply: 'Everybody's got to close down until further notice. We don't want nothing from anybody until this blows over, but we don't want to get jammed either. So shut down.'"

"Others told of personal visits by 'bagmen' and plainclothesmen with the same message. One said:

"The cop who brought me my orders had been scoffing at the whole thing just the day before. He'd bragged that he knew who the Post was going to name in its series, and he

said he'd give each one 24 hours' notice before his name appeared so he could make himself scarce. Each man so warned was supposed to kick in an extra taste (additional bribe) for the information."

"But two unexpected actions by Police Commissioner Stephen Kennedy, to whom the Post had submitted its series before publication, created panic in the police ranks of the organized racket."

"Orders went out to the commanding officers of every vice squad in the city to read each installment of the Post series and to make written reports to police headquarters on any statement in the paper bearing on areas covered by their commands."

"A veteran law enforcement official who followed the development said:

"So they panicked. They ordered their men to read the articles too and to increase arrests. They started grabbing everybody indiscriminately, sometimes without a pretense of obtaining legal evidence."

"They started grabbing the repeaters, the hangers-on, the 'go for' boys—the guys who go out for aspirin tablets or coffee for the collectors or the controllers. There was nothing of quality in the arrests, but they made up for that in quantity."

"Kennedy's second action was even more unexpected. The commissioner asked the Post to publish daily a special telephone number at police headquarters where informants would be guaranteed anonymity on any tips of corruption on the part of any member of the police force, regardless of rank, and any definite information on policy spots, banks, or drops."

#### "Ring the bell

"The special telephone number—Canal 6-7500—was first published on March 1, and hundreds of calls poured into police headquarters and were investigated by a special detail established by Kennedy."

"Deputy Police Commissioner Walter Arm revealed that during the first month the special line received 352 calls on matters bearing on the policy racket and police corruption in other areas."

"These calls resulted in 176 arrests—99 for policy, 61 for disorderly conduct, 9 for bookmaking, 4 for vagrancy, and 3 for violation of the liquor laws."

"Arm said the calls involving accusations of police corruption were referred to Kennedy's undercover squad for investigation. The phone is still in operation, manned by carefully selected superior officers."

"One important source in the racket credited this action by Kennedy with driving a real breach between the cops on the pad and the operators they have been shaking down for years."

"'Nobody wants to be stoolie,' this source said, 'but nobody wants to be kicked around without reason either. So when they set up that phone that was the day things blew up."

"For the first time, we had a weapon we could use if the guys got too greedy. If they pushed us around too much in seeking an extra taste, we could always remind them that Mr. Kennedy might be interested in the whole thing. I don't think any of us ever dreamed that we could one day stand up for our rights by threatening to use a solitary dime."

"The Post resurvey indicated that the major outlets in the citywide racket—most of them controlled by the East Harlem mob—actually did suspend operations for several days, and many are still out."

"But although the pad was temporarily suspended as an organized agency of graft, some corruption is believed to continue on a more chaotic scale. And the numbers racket, itself, of course, continues, but on a greatly reduced scale at the moment."

#### "The cool view

"Chaos resulted, one source said, when several of the bolder vice squad plainclothesmen immediately sought to set up individual pads and make their own collections."

"They came around in teams of two and demanded \$15 a man each week,' this source said, 'but most of the men ain't kicking in.'

"The source reported the reaction of an unidentified numbers banker."

"When they came to me [the banker], I told them we were cooling it like the orders said. And when they kept on hinting that we had better kick in or something would happen, I told them frankly:

"If you catch me right, I'll take my medicine. But if you frame me or any of my people, or tell me I got to give you somebody to make your quota, then I'll go straight to Murtagh or Hogan and I'll spill my guts.' I told them I ain't going to take no 6 months in jail for nobody."

I would like to point out also that nearly everything that I fought for here during January and February has been achieved."

The State legislature passed a new gambling law, signed by Governor Rockefeller, which now makes mandatory a prison sentence for repeaters after the second conviction."

The grand jury of Manhattan, under District Attorney Frank Hogan, is now sitting in session."

The State crime commission under Mr. Goodman Sacharand of Rochester, N.Y., is now staging an investigation."

The police commissioner has reorganized Manhattan into two districts rather than the many it had before."

The entire confidential squad of the police commissioner of New York City has been busted and a new one was sworn in yesterday."

However, I wish to state that beginning the last of May I will start again on Wednesdays putting into the RECORD any items that find or are given to me by citizens which indicate there is any going back to the good old days of New York City Police Department payola or any whitewashing or covering up by any agency of government—county, city, State, or Federal."

Mr. Speaker, the articles to which I referred earlier are as follows:

"[From the New York Post, Apr. 19, 1960] (Article II)

"HOW THE COURT CRACKDOWN HIT THE POLICY RACKET

"(By Ted Poston with Al Hendricks and Irving Lieberman)

"A simple weapon which has been available to the courts here for decades is inflicting more damage on the \$250-million-a-year numbers racket than all the antipolicy crusades of the last half century."

"The weapon? Stiff sentences instead of fines. Presiding Justice Murtagh of special sessions started slamming the jail doors on convicted policy defendants in Gamblers Part last February 29—simultaneous with the Post's exposé of the pad, the multi-million-dollar protection racket operated by crooked vice squad cops to let the numbers barons go unmolested."

"Prosecutors and grand juries for years had been demanding jail sentences for gamblers instead of the traditional slap-on-the-wrist fines."

"Back on November 12, 1958, District Attorney Hogan protested publicly when General Sessions Judge Marks suspended sentences on 13 of the biggest Italian policy barons after all had pleaded guilty to a numbers game conspiracy indictment. Hogan has always viewed jail terms as one of the most potent weapons in combating policy."

"There are thousands of such arrests (policy) each year,' he complained recently, 'but they all almost invariably result in a suspended sentence or a fine.'

"And the Brooklyn rackets grand jury, backing District Attorney Silver's own views reported last year:

"The bookmakers and policy bankers consider these court proceedings which result so often in fines as merely part of the cost of doing business, as a sort of 'license' fee."

"Bookmakers and policy operators are soft livers. Nothing, but nothing like a jail sentence could teach them that violating our laws is serious. As the police often put it: 'These bums don't like jail.'"

"Court records compiled by Post reporters both in its original exposé of the links between crooked plainclothesmen and policy racketeers, and in its current followup on the situation, give substance to the jury's charges."

"Of the 2,885 persons arraigned in the magistrates' courts for policy law violations in January and February this year (while Murtagh was then chief magistrate, ironically), only 3 were given jail sentences. And none of these three—two in Manhattan and one in Queens—received as much as 30 days."

"Of the 2,885, 239 pleaded guilty in magistrates' court and were fined or given suspended sentences. The vast majority, represented by bondsmen and lawyers whose fees were paid by the syndicate behind policy, merely waived their cases to gamblers' part of special sessions. There most of them were discharged on their own recognizance or fined \$25 to \$300 each on their routine pleas of guilty. The syndicate promptly paid the fines, and most of these offenders never lost a day's work in the racket."

#### "Murtagh lowers the boom

"Then, on February 29, to use the words of one of his later victims, 'That cat Murtagh came on like 'Gang Busters.'"

"Without warning, the new presiding justice jailed up to 6 months the first six policy offenders brought before him in gambling part."

"When Isaac Ingelham, 71, a lowly runner, admitted under questioning from the bench that he knew neither the name of the bondsman who bailed him out nor the lawyer who showed up to represent him, Murtagh indignantly called for an investigation by District Attorney Hogan of the alliance between the policy syndicates and the bondsmen and lawyers. Murtagh threatened to drive such lawyers from special sessions and referred the names of two lawyers to Hogan's office."

"Some critics of police corruption and policy protection were unimpressed as Murtagh continued his crusade on March 3 by sending 13 men to jail for 15 days to 6 months each and 12 more to jail the next day for a flat 6 months."

"These men are all small fry,' these 'cuties' charged, 'there isn't a numbers banker in the lot.'"

"But the policy operators themselves had no such illusions."

"That's like saying the enemy shot your army to pieces but didn't lay a hand on the general,' one commented the other day. 'A banker without runners and controllers is as helpless as a general without troops.'

"The more realistic reaction in the racket had been expressed by one defendant that first day when he saw six men go to jail before him."

"Man, get me an adjournment,' he had whispered desperately to his lawyer, 'that guy up there on that bench is crazy.'

"So, as Murtagh jailed 43 offenders in his first 5 days while revoking the bonds and issuing arrest warrants for 14 others who fearfully failed to appear, the syndicate shifted its operations back to the magis-



trates' courts and insisted that its men be tried there.

"But they underestimated the situation, for while the bonding companies suddenly started demanding \$250 cash surety for each policy arrest (instead of the usual \$50 to be split between the syndicate's bondsman and lawyer), Murtagh was busy on another front.

"He called a conference with his lower court successor, Chief Magistrate Abraham M. Block, and Administrative Magistrate Larry M. Vetrano and mapped the next line of attack.

"The result became evident last March 28 when Larry Melville, 54, a socially prominent Harlem operator who had never spent a day in jail despite six previous policy convictions, came up in magistrates' court on a routine charge.

#### "No hiding place

"Magistrate James E. LoPiccolo immediately slapped Melville with the stiffest sentence passed out so far—6 months in jail and 30 days more unless he paid a \$500 fine immediately.

"One Harlem operator recalled that moment the other day in these words:

"When they lowered the boom on Larry like that, we knew at last there was no hiding place. We were boxed in on both ends."

"And the walls were closing in from two other sides at the same time.

"Hogan stepped up his investigation of alliances between lawyers, bondsmen, and policy racketeers by flooding the town with subpoenas. Veteran policy lawyers, faced with possible bar association investigation, started shunning such cases, leaving many defendants without counsel.

"The list of defendants skyrocketed further as Police Commissioner Kennedy, aroused by the Post exposé of police corruption and policy protection, applied unprecedented heat to all the vice squad commands.

"Policy arrests increased from 3,928 for the first 3 months of 1959 to a total of 4,280 for January, February, and March of this year. Only Staten Island failed to show an increase for the 3-month period.

"While the overall increase in policy arrests was only 352 cases, a longtime operator interpreted the figures in this way for the Post:

"The difference is that these arrests this year—especially in March—were for real. Last year, you could figure that half of the numbers arrests were just 'accommodation cases'—you know, winos and junkies whom you paid \$50 each to take a bust and help the cops keep their quota.

"But who the hell is going to agree to take 6 months in jail for a lousy \$50? Not even a junkie. Maybe a junkie least of all. So the cops, to cover themselves, are grabbing the regular guys who are the backbone of the business. Even guys they've been collecting from for years.

"And if a bank can't take care of a regular guy's family for the 60 days or 6 months he's in jail, what is to keep that guy from spilling his guts to Murtagh or even Hogan?"

"Another longtime operator discussed the matter from a different angle.

"No matter what the Post or anyone else says," he observed, "the vast majority of people in the numbers business are not racketeers. Many are quite respectable, church members, people who are often looked up to in their immediate communities.

"From habit and background, many of these people have handled a few numbers as a means of supplementing their regular job incomes. Even if they got arrested in the past—and that didn't happen often—they could be arraigned in court, fined, released, and nobody knew anything about it.

"But how many of them do you think will continue when they knew they may go to jail now and be disgraced before their families and their neighbors? This thing is

going to cost the game several thousands of such part-time workers, not to mention many guys who never did anything else."

"Our harassed policy operator asked the inevitable question:

"What got into this Murtagh? He didn't act up when he was chief magistrate. Now he's giving us hell all over the lot."

"A fellow operative answered the question with a shrug.

"I don't know what got into him," he remarked despairingly, "but he sure as hell got into us."

[From the New York Post, Apr. 20, 1960]

(Article III)

"BARE NEW RACKET IN RECORDS—HARLEM 'POLICY' HARDEST HIT—OTHER BANKS STILL STRONG

(By Ted Poston with Al Hendricks and Irving Lieberman)

"The three-way squeeze which has reduced the policy racket to its lowest ebb here, following the Post's revelations of links between police and the numbers barons, has hit the Harlem game harder than elsewhere in the city.

"While Queens and Staten Island policy banks apparently have continued to flourish on about the same scale, despite the Post's exposé of the multi-million-dollar vice-squad protection system, the new drive by Police Commissioner Kennedy, Presiding Special Sessions Justice Murtagh, and District Attorney Hogan is driving much of Harlem's game underground and biting into the play in Brooklyn and the Bronx.

"In Brooklyn, arrests are up over 10 percent because special attention is being paid to the 'spots' and 'locations' which paid an average of \$2,500 a month to grafting vice-squad cops for the privilege of operating openly before the Post exposed 'The Pad,' the list of protected policy places.

"Angel F. Calder, the city's largest Puerto Rican policy banker, has given up his extensive Brooklyn operation as a result of his long-running fight with District Attorney Silver, compounded by the heat the Post series generated.

#### "Small change

"Calder, who is still awaiting trial with his minions on charges growing out of Silver's spectacular 1958 raid on his \$5 million Brooklyn bank, is now conducting a much more limited operation, reputedly from a store on Second Avenue in Manhattan.

"Most of his former controllers and collectors in Brooklyn have been absorbed by the East Harlem mob's Kings County operation, directed by Mike Miranda.

"But the East Harlem syndicate which controls most of the policy business in all boroughs has also accepted a temporary shutdown of the pad in Brooklyn—on the frightened orders of the crooked vice-squad cops who run the protection system.

"In the Bronx the syndicate's operation, still run in absentia by Sammy Schlitz (Schlitten), has also been hit, but not so hard, by a 10-percent rise in arrests following a suspension of the pad.

"But although his basic Bronx-wide operation remains in fairly good shape, waiting only word of the reestablishment of the pad to swing back in action, persons associated with Schlitz told Post reporters that the dapper little ex-bootlegger and juke box czar is smarting over the shutdown of five of the seven lucrative spots for which he paid heavy police protection in Harlem.

"First to go, in the wake of the Post exposé, was the modest headquarters which three Schlitz henchmen, known as Mel, Artie, and Solie, maintained in a tenement hallway on 145th Street. All three disappeared March 1—the day the pad was ordered suspended—and haven't been seen there since.

"Three other Schlitz locations closed down the next day. His last two remaining spots are run by two men known as Dave and Sutton on West 144th Street in what is known as the last wide open block in Harlem. Both Schlitz minions patrol the block more closely than the cop on the beat, but pickings were still slim there last week.

"But Schlitz, although undisputed policy czar of the Bronx, is only a minor operator in the lush Harlem game which the East Harlem syndicate has been consolidating over a number of years.

"And his losses, while substantial, are small compared to the major Italian banks which still control most of the business in the predominantly Negro community.

"Here's what the Post survey indicated happened to other major Harlem operators:

"Anthony (Punchy) Salerno, director of the syndicate's citywide policy operations and most powerful figure in the Harlem policy game, had 37 'wide open spots' for which he paid grafting cops an estimated \$100,000 a month before the crackdown. The Post found only about 12 of the 37 spots in operation last week. This does not mean that Salerno is out of the business, however. As one of his former associates pointed out:

"Many of the guys who acted as controllers in the candy stores, tailor shops, groceries, bars, and other spots run by Tony are still in the business. They just don't operate out of stores any more. They got together many of the runners the Negro bankers had when the shutdown came, and they collect their business and turn it in.

"And in many ways, this isn't a bad deal for Punchy. He still saves the \$45,000 a month which he had to get together for the three vice squads about the division level, while he is by no means starving from the 'controlling' business which is keeping his game going."

"Other Post sources reported that another major Italian operation in Harlem—the Vigliante brothers, Louis Tony, and Charlie—went one step further.

#### "Orders is orders

"When the order came down on March 1 that the pad was closed and no payments expected," one said, "the Vigliantes really went underground, although they continued to work the same 'controlling' business as Tony."

"But when the cops, as most of them did after 2 or 3 days, came around and wanted to establish individual pads, Louis Vigliante would have no part of it.

"You ordered us to quit and we've quit," he is said to have told these cops, "we ain't giving nobody nothing." The cops knew he was lying, but what could they do about it? Those East Harlem boys carry too much weight."

"Also hard hit by the suspension of the pad was Louis (Louie the Gimp) Avitabile, the Lenox Avenue supermarket owner whom Representative ADAM CLAYTON POWELL had called the top man in the syndicate's Harlem operations.

"Avitabile, despite the pressure put on him by POWELL, still had 14 spots for which he paid monthly protection when the Post exposé was printed. Last week these 14 spots were down to 4.

"His main spot then was in a basement around the corner from his supermarket (a raided premises since last July 2), operated by Solly Appuzzo, the Gimp's partner. Last week that basement was only an obscure policy drop, and neither Solly nor Louie have been seen in the neighborhood recently.

"Another Italian operation—the Lenox Avenue bank operated by Felice and James Falca—came up with a new idea when the heat went on. The Falcas, who called themselves Phil and Jim Black, offered to sell shares in their bank to hard-pressed Negro

policy bankers if the price would be met. Negotiations are still continuing, although neither brother has been seen recently in his usual Harlem hangout.

#### "On the run"

"But if the syndicate's large white banks have been hard hit by the crackdown, the few remaining Negro bankers have suffered even more—although few of the Negro operators had been able to afford full pad payments even before the system was exposed.

"Here is what happened to most of them: 'Henry Lawrence, long regarded as one of only two Negroes who had enough influence with the crooked vice squad cops to OK another Negro for the pad, fled to his native Kingston, Jamaica, soon after he was ordered to cease operations from his upper Eighth Avenue tailor shop. Lawrence suffered a heart attack in Jamaica and is now hospitalized there.

"Lawrence's Puerto Rican partner, Spanish Raymond Marquez, who operated several of their bank's 10 protected spots on the lower part of Eighth Avenue, also disappeared—but not before police raided the bar and grill he owns near 112th Street and stationed a patrolman there.

"Ironically no such action had been taken on August 17, 1958, when police seized Marquez' brother, John, 27, and 12 companions in the same bar and stripped them of 4 revolvers and 2 dismantled rifles.

#### "Bank robbery"

"The arsenal had been assembled just a few hours earlier, after Spanish Raymond had shot to death David Peters, 28, a young Negro hoodlum who had been muscling in on the Lawrence-Marquez numbers business in the area. Marquez claimed self-defense and was not indicted for the killing.

"With police protection no longer assured, several of the Negro bankers fell prey to youthful holdup men who had learned by bitter experience—and a few gangland-type killings—not to mess with the syndicate's Harlem operations.

"The big three bank of Carlyle Williams, Walter Smith, and Crip Martin in the 127th Street and Lenox Avenue area was held up twice, with the bandits taking \$1,800 in cash on their second trip. Simultaneously, the same young gang tried to break into Smith's apartment in Washington Heights but was thwarted in the attempt.

"Fritz Devinish, who with Boo Marshall, Sid Thompson, Pat Hogan, and Crappy Hale, operated as the Big Five in the 140's block off Lenox Avenue, was called in by Immigration officials for questioning, and the whole bank closed down completely for a month. It has since reopened limited operations.

"A young Negro who amassed a fortune by serving a scant 8 or 9 years as a vice squad plainclothesman was called in for questioning in Hogan's current investigation—but not before he had been summoned to conferences with his former vice squad colleagues after his operations had been mentioned in the Post series.

"And the end is not in sight.

"Even when things open up again, and they will," one of the Negro operators said, "I don't think we'll ever get back to where we were. If ADAM CLAYTON POWELL was a little premature in saying that the whites were taking over all of the Harlem business 3 months ago, he won't be premature when the pad is reestablished in the near future."

"[From the New York Post, Apr. 21, 1960]

#### "(Article IV)"

"GUARD RECORD RACKET WITNESSES; POLICY MEN HOPE FOR COMEBACK

"(By Ted Poston with Al Hendricks and Irving Lieberman)

"The numbers game has been hard hit by the current crackdowns but many people

in the racket persist in the belief that it will come back strong again, and with police collaboration. Post reporters kept running into this view as they resurveyed the policy situation.

"Thousands of numbers runners—low men on the totem pole—are scuffling desperately each day to hold the shambles together in the hope that the antipolicy drive will run its course and be forgotten.

"A member of the Post team which exposed the pad—the multimillion-dollar vice squad protection racket—6 weeks ago, retraced his steps last week to see how the operation was faring under the combined heat of the police and the courts. Here is his report:

"Toured Harlem today with the same numbers operator as before. The plan now as then was to introduce me as his nephew and engage various numbers writers in conversation.

#### "Street scene"

"If the plan didn't work out better, blame the cops. The streets are flooded with them. Not just the patrolmen. You can't go a block without seeing police radio cars, cruising or just parked in front of bars or stores.

"In every other block, my guide, who knows them on sight, pointed out the unmarked cars of plainclothesmen. The cops know him, of course, so we had to pass by the first three places where we were supposed to stop; plainclothesmen or radio cops were parked there.

"We finally hit a bar on Amsterdam Avenue and started talking to a numbers writer he knew. This guy has a real problem. For him, the couple of blocks between his home and this bar is a kind of no man's land."

"[From the New York Post, Apr. 22, 1960]

#### "(Article V)"

##### "POLICY: A HOUSE DIVIDED"

"(By Ted Poston with Al Hendricks and Irving Lieberman)

"Just 6 weeks ago Javon B. Hunter, 25, formerly of 242 West 148th Street, was a numbers runner who turned his daily book over to William (Shorty) Greer, 36, a controller for Felice and James Falca's Lenox Avenue policy bank.

"Today, J.B., as his hundreds of numbers customers knew him, is dead, and Greer is in The Toms charged with the slaying.

"Both, in a way, are victims of the chaos which has descended on the policy racket since the Post exposed the pad—the multimillion-dollar protection racket operated by crooked vice cops—and Presiding Justice Murtagh started throwing jail terms at the small-fry sinews of the numbers industry.

"Their story is only one of a score of similar incidents—more violent than most—encountered by Post reporters in their follow-up investigation of the numbers racket.

"Here's what happened:

"When Police Commissioner Kennedy cracked down on the vice squad corruption ring on the heels of the Post's exposures, the Falco brothers (who called themselves Phil and Jim Black) tried to sell shares in their lucrative policy bank. But when the crooked cops themselves ordered them and other bankers to suspend operations while the heat was on, the Falcos took off.

"Greer, like scores of controllers all over the city, was left high and dry, so he took part-time work as a bartender in a Seventh Avenue gin mill and continued to accept the 'books' turned in to him daily by his veteran numbers collectors.

"Not until an unlucky hit came up on March 28 did J. B. find that Shorty hadn't been turning his bets over to a bank and thus couldn't pay off. J. B. went to the bar and beat up not only Shorty but the white owner of the place as well. Shorty finally routed him with a baseball bat.

"The two met again early in the next morning, March 29, in the Beverly Hills Bar

and Grill, 303 West 145th Street. The fight was resumed, and minutes later J. B. slumped to the floor, dying of stab wounds. Shorty was seized on homicide charges.

"Greer was indicted for second-degree murder last Thursday, and is being held in \$20,000 bail for pleading next week. He had been convicted of policy violations seven times and was fined \$350 for running a policy drop on October 6, 1956.

"This is only one incident in the fresh internecine warfare among minor policy operators. But there is a more bitter if less bloody conflict going on between the policy bankers themselves and the still-grafting cops who insist on 'getting a taste' (bribe money) despite the orders of some of their superiors to 'cool it for a while.'

"One veteran source described it this way:

"These guys who have been on the take so long just refuse to reduce their new standard of living, heat or no heat. One of them said his plainclothesman salary wasn't enough to meet the fixed charges of his monthly expenses.

"He said he had no intention of losing his Cadillac or putting his second old lady out of her Sugar Hill apartment while waiting for the pad to be revived. So he told everybody that he expected to get his as usual every week or he'd bust (arrest) everybody in sight.

"Some of the newly impoverished plainclothesmen went even further. In one case, a plainclothesman trailed a known pickup man for a hard-pressed Manhattan bank and seized him along with 50 envelopes containing that day's 'works' (the betting action). Such hijackings were not unusual even when collaboration between the cops and the banks was wide open, before the Post series. The usual practice was to call up the bank and demand a '\$50 taste' for releasing the 'works' before the close of the day's business.

"But the free-booting b—— in this case," a reliable source told the Post, "had the nerve to call the bank manager and demand \$1,500 just for the works."

#### "Stalemate"

"The manager told him he was crazy, but they kept on bargaining over the phone until the manager said he might come up with \$500 if both his pickup man and the works were released immediately.

"But this freebooter said: 'Oh, no; your man has got to take a bust. After all, I've got to meet my quota.' The manager told him to go to hell, but the cop reminded him:

"If you'll up the ante, I might try to do something. But if you let your man get busted and if Murtagh decides to give him 6 months, he may decide to blow the whistle on you."

"The manager really blew his stack then and reminded the cop that he could blow a whistle, too—just by calling that Canal 6-7500 special number which Commissioner Kennedy had set up for tips on crooked cops.

"This set up a sort of stalemate before they finally worked out something. I don't know how much was paid, but the works were returned in time for that day's tabulations."

"A somewhat similar incident was reported in the Bronx, where the drive against policy and corruption hasn't hit as hard as it has in Manhattan and Brooklyn.

"(Antipolicy activity is even less evident in Queens, where numbers arrests rose only from 271 for the first 3 months of 1959 to just 279 for the same period this year. It is practically nonexistent in Staten Island, where only 11 policy arrests were made all last January, February, and March—a drop of 3 from the 14 arrests made during the same period in 1959.)

"The Bronx incident had a fresh angle, as explained by a Post source there.

"When the pad closed down in early March, everything went on a catch-as-catch-



can basis," the source said. "Then everybody tried to get in the act. And this included many cops who had never been on the pad."

"He then cited the case of a numbers operator who was picked up 2 weeks ago by three detectives from the narcotics squad."

"Now this man has never had nothing to do with narcotics and these cops knew it. As a matter of fact, they weren't even in their assigned areas when they put the arm on him."

"But what could he do? They knew he was in the numbers and they knew he had money on him. And he was afraid that if he didn't get away he might find something put in his pocket before he got to the station house."

"So he finally got up \$400 and they let him go."

"A more common complaint in most boroughs is that, in their anxiety to build up their arrest records, some shady vice squad policemen are, in the words of a respected law-enforcement official, 'making indiscriminate arrests without \* \* \* obtaining legal evidence.'"

#### *"A friendly wave"*

"Fausto Diaz, a \$56-a-week busboy at the Prince George Hotel, 14 East 28th Street, came to the Post from his home at 370 Bushwick Avenue, Brooklyn, to charge that he had been framed in one such case last March 9—the day before the 10-part Post series on police corruption and policy protection ended."

"Diaz said he was walking down the street to the subway to report for his regular 4 p.m. shift at the hotel when he saw a friend, Raphael Pagan, of 60 Moore Street, Brooklyn, sitting in a car on the other side of the street."

"I waved at him as I usually did and kept on walking," he said "when suddenly a detective grabbed me and another grabbed Raphael across the street. He searched me right there on the street, and then they took both of us up to Raphael's apartment, where they searched us both again. They didn't find anything on either one of us, but they booked us both for policy."

"Inspector William Kimmins of the Brooklyn East Patrol Bureau denied Diaz's charges. He said that Detectives Henry O'Brien and George Levine said they had made the arrests in Pagan's apartment and that Diaz had one policy slip in his pocket and had flushed another down the toilet. Kimmins also pointed out that Pagan had three previous policy convictions. Diaz had never been arrested before."

"Diaz, finally released on \$1,000 bail bond which cost him \$50 plus \$35 for a lawyer, rejected the police contention and produced what he felt was clinching evidence of his innocence."

"He exhibited three dog-eared installment charge books to show that he owed almost \$1,000 in bills for household fixtures and furniture."

"If I was in the rackets, and was making money from numbers," he asked, "then how would I be owing this kind of money?"

"And I'll probably owe more now and fall behind in my payments, for I've already lost 3 days' pay just for waving to a friend on my way to work."

"Diaz had been scheduled for trial in magistrates' court last March 31, but—unlike many policy veterans recently—he waived his hearing for a trial later in special sessions, preferring to take his chances with Murtagh."

"Some old hands in the game who heard of his story saw in this some evidence of his innocence or inexperience in the game."

"Any cat these days who will take a chance of coming up before Murtagh," one observed, "must be pure in heart—or just aching to serve 6 months in the workhouse."

"I got to figure the man is innocent."

In these remarks which many of you, because you are new in this body and do not know about the case, and many of you because of the pressures of many more important things have forgotten, that on January 1960 in this holy place, this well of this great body, I began a personal crusade against the policy racket in New York City. As a result of that crusade, as you will read in the CONGRESSIONAL RECORD, or a member of your staff, as reported on April 28 by the New York Post, the Confidential Squad of the Police Commissioner of New York City was busted by the police commissioner, the first and second deputy police commissioners in New York City resigned, the \$2,500 a month paid to the police officers—and this is from the New York Post as now contained in the CONGRESSIONAL RECORD—\$2,500 per month payoff to the police officers for operating a numbers drop, which can be no more than a hallway in a Harlem slum, was stopped."

Two paid men of the police department resigned. One was captured by the New York State police with \$17,000 in his trunk and a little black book with all the names and addresses of the payoff and to whom the money went. He received 2 years in prison for refusing to testify."

In the course of my remarks I named as a "bag woman" for the police department a certain woman in my district. A trial took place against me. In the course of the trial the following facts were produced:

This lady swore on supplementary examination that she had never talked to Inspector Nibbs. Inspector Nibbs testified she had spoken to him 60 or 70 times."

This lady also, when becoming a naturalized American citizen, perjured herself. Commissioner Farrell, Commissioner of Immigration, knows about this, she stated in her naturalization papers she had never been arrested. She had not only been arrested, but in the city of Buffalo she had been convicted 4 times for assault and battery, but this was not reported in the press."

We produced five witnesses on the stand who gave names and dates and amounts over a period of years that they had given to her for the police."

The New York Daily News got a reporter into her apartment and found out that in each and every room of her apartment there was a telephone where she could call up the Police Department immediately. Yet, I was victimized."

The judge in this case was Judge Aurelio, who you may remember, was a friend of Frank Costello."

The jury, in New York County, with a population of 50 percent Negroes and Puerto Ricans, was totally white."

A broadcasting station settled for \$2,000. This same "poor, old widow," as reported in the New York Times of October 21, 1964, page 23, was ostensibly the finger woman for the assassination at 12 noon in Harlem of one named Arthur Powers, and I repeat an excerpt from the New York Times. As soon as this man was assassinated, this widow ran to the station house where they were waiting

for her. The police of the West 152d station house who questioned Mrs. James at length said that this 67-year-old widow "had nothing to do with the slaying" which took place just before noon at Amsterdam and 146th Street, a few doors north of where she lived."

Quoting the New York Times, "the police declined to comment" on whether Mrs. James knew the victim. "Powers had been trying to move into someone else's territory." Mrs. James it was reported was "on the sidewalk 10 feet away from Powers at the time he was assassinated." Since then the Police Department of New York City has done nothing whatsoever. They say they do not know the killers."

I know the killers. I will give you their names now. The men that conducted the assassination of Arthur Powers at high noon in Harlem are known to the police. They have been sheltered by the police, and I have gotten their names from the files of the police department. They are Terry Lindsay, the only one in custody, Charles "Skipper" Martin, Vincent "Hank" Hawkins."

This was because Arthur Powers was moving into her territory."

Let us go a little further. What I am bucking here is the entire underworld. Read this week's copy of Newsweek magazine. Read what they say in Newsweek magazine of February 22, page 68b, where they talk about the Harlem police have "long been accused of looking the other way" in neighborhoods where drug peddling abounds. It is authoritatively believed that "the same syndicates control both narcotics and the numbers racket. There is a widespread belief that the racketeers have very high political protection. Occasional raids and arrests, mostly of small fry, have not seriously impaired the supply."

I just received on the floor from the Department of our Treasury the following: Last year 1.5 tons of heroin illegally entered the United States. The Bureau of Customs intercepted 35 pounds."

Newsweek, page 68, the illegal drug traffic in the United States is now \$1.5 billion a year, and the tragedy is, according to Newsweek, one-half of the narcotics users in this Nation live in my district, because the narcotics pushers have all the protection they want from the police department."

One of my associate ministers, the Reverend Oberia Dempsey, as reported by Newsweek, has been working by himself with "The House of Hope," as he calls it. He said, "We have in our hands the wreck of a generation." He has registered 37,000 addicts, more than half the official U.S. total. The Reverend Dempsey says that "my people will not overcome this evil for 50 years."

Now, comes a letter. It is stamped "confidential." This is what I have been working on. It comes from the Bureau of Narcotics, we know who they are, we know where they hang out. They found out I knew, and on January 15 of this year—this is a matter of police record in Washington, D.C.—when I was visiting friends, somebody climbed a brick wall and dropped an empty heroin bottle in the skylight and on that same night

someone damaged the windows of the Abyssinian Baptist Church on 138th Street in Harlem causing enough damage to the church so that we had to spend \$1,320 to repair it. The same night, almost the same time. This is a matter of record of the New York Police Department and a matter of record of the Washington Police Department.

We have in New York City a system of political judges. You talk about your problems in Mississippi. This is what I call northern prejudice, with a velvet glove.

In the Supreme Court of New York and Bronx County, from which our brother, Charles Buckley, is no longer with us, with 48 judges, out of a population of 2 million Puerto Ricans and Negroes, 1 Puerto Rican, and only 1, has been appointed to the bench.

Now beyond even the political judges and the underworld-controlled judges—there stands now the law. This is what I want to talk about.

Most of the people of my district remember a fact which so many others have unfortunately forgotten, that the subject of my speeches in this Congress in 1960 was police corruption in Harlem. To the great disadvantage of the people of Harlem, there was vice practiced on the part of the police which was subversive of law and damaging to the moral lives of the people. May I say that the vast majority of the police in my opinion are fine men. They are the finest men in blue but, in Harlem we have the dregs of the police force.

Why have these facts been ignored by the press and the public officials involved? Why is the New York press carrying on this campaign against me? Why did Newsweek this week write "she asked me to go on television and apologize? That is all she wanted." I do not even know this woman. I have never seen her.

I did not speak on my behalf when I spoke here. I spoke to alert the people of my district to the dangerous behavior on the part of the public officials. I sounded the siren of public debate, which is the best means to bring this to the attention of officials.

Of course, this matter has now been made the subject of a personal suit. It is unbelievable that in a free society, with an alert press, an attack upon vice and political corruption, a practice so harmful to the public good, should be converted into a private matter; that an attempt to arouse the attention of the people should mobilize this sort of thing against their elected representative. Suddenly forces began to be mobilized against me as reprisals for my battle against these practices in the police department. So they mobilized against me in my fight against vice and corruption. But I will continue to fight. I will not be deterred by these irrelevant suits or other devices that have been brought against me.

Now, as for the civil case itself. I regard the manner in which this matter was resolved as dangerous to liberty, subversive of justice, and fatal to the mature development of our legal system. Whether the issue be important or not,

when legal procedures can be perverted to satisfy interested parties, it requires a flexibility which bends it toward arbitrary judgment instead of the rule of law.

The most important issue involved was freedom of speech, freedom of a Congressman or any man to stand in a public place and invoke public censure against what is corrupt. That has been held time and again by the U.S. Supreme Court. In *Beauharnais* against Illinois, the Court stated:

The Court retains and exercises authority to nullify action which encroaches on freedom of utterance under the guise of punishing libel.

At that one and the same time that the New York Times was attacking me, they themselves were doing everything they could to evade a \$500,000 libel judgment against them in Alabama.

The Supreme Court in the case of the New York Times against Sullivan said just last year, and I quote:

A profound national commitment to liberty and debate on public issues should be uninhibited, robust, and wide-open and that it may well include the vehement, caustic, and sometimes unpleasantly sharp attacks on government public officials.

That was the Supreme Court decision.

But if a citizen has such latitude for debate, then do you not think his representative, who is forced to speak critically on matters which affect the public's welfare in order to hold his office responsibly, must have this same important freedom.

When the lips of the representatives of the people are sealed, the people then lose their voice. Who will speak for them?

Look at the motions that came before the court. There has never been one opinion handed down by a single judge including the U.S. Supreme Court—judge by judge they refuse to hand down an opinion on whether a U.S. Congressman could speak off the floor what he says here.

During the legal proceedings against me in New York, my attorneys presented motion after motion to the courts, firmly based on the law of New York. The legal questions raised were not matters over which there could be dispute. They were clearly based on the statute of New York or on the U.S. Constitution. Yet, time after time, the courts of New York departed from the clear meaning of the words of the Constitution, the statutes and the cases, and reached a result contrary to the law.

On June 1, 1964, the Supreme Court of New York State issued an order directing my arrest for contempt of court. It stated:

That the defendant, ADAM C. POWELL \* \* \* is hereby declared guilty of contempt of court, having wilfully disobeyed the subpoena dated the 5th day of December 1963, in that he failed to appear for examination at the time and place directed in such subpoena.

The subpoena commanded me to come before the Supreme Court of New York State to be examined concerning my assets. This was a subpoena in a civil case. Disobedience of the subpoena was punishable by contempt and arrest.

The subpoena—dated December 5, 1963—a day Congress was in session, was clearly unlawfully issued. The U.S. Constitution states—article I, section 6:

The Senators and Representatives shall receive a compensation for their services to be ascertained by law and paid out of the Treasury of the United States. \* \* \*

They shall, in all cases except treason, felony and breach of the peace, be privileged from arrest during their attendance at the session of their respective Houses, and in going to and returning from the same.

In the State of New York in the case of *Matter of Potter*, the New York State Senate demanded that a judge appear before them in formal session because he had issued a warrant for a legislator while the legislature was in session.

On April 30, 1964, Mme. Justice Birdie Amsterdam, of the New York State Supreme Court, county of New York, issued an order refusing to grant an adjournment of my scheduled examination, which had been previously ordered by Mr. Justice Frederick Backer and scheduled for May 1, 1964—on which date Congress was in session.

On July 8, 1964, the Honorable Evelyn Richman, of the criminal court of the city of New York, county of New York, issued an order directing my arrest. The Code of Criminal Procedure of the State of New York, section 148, states in plain words:

When an information is laid before a magistrate, of the commission of a crime, he must examine on oath the informant or prosecutor, and any witnesses he may produce, and take their depositions in writings, and cause them to be subscribed by the parties making them.

The Justice did not take any proof of the commission of the crime, did not examine any witnesses under oath, nor was there in the possession of the court a detailed statement of the facts constituting a crime. The warrant for my arrest was therefore unlawfully issued. The Honorable Evelyn Richman was aware of the fact that it was unlawfully issued. Yet it was enforced. On November 20, I started a proceeding in the New York State Supreme Court, county of New York, to permanently enjoin the criminal court of the city of New York from proceeding against me with a warrant for my arrest on the alleged criminal charge.

The alleged crime, by the way, consisted of the fact that I gave my wife \$900. That is a question that may be of some importance to some of you gentlemen.

My petition stated that the criminal complaint did not set forth that the warrant was unlawfully issued because no witnesses were examined as required by law.

On December 4, our beloved former colleague, Arthur Kline, now a supreme court justice, dismissed the petition on the grounds that it did not contain sufficient facts to entitle me to a writ of prohibition, stating that I had adequate remedy in the writ of habeas corpus. This, of course, is ridiculous. This means that you ladies and gentlemen of this body and the other body, asserting the congressional privilege of immunity from



arrest, while Congress is in session, must first submit to arrest before you may raise the question of illegality of the arrest. It requires a Congressman to submit to the invasion of the immunity of arrest and only affords him a remedy after his immunity has been violated. In order to enforce a private claim against me and in order to avoid and circumvent my immunity from arrest, this woman instituted a baseless, groundless criminal charge against me. The Supreme Court of New York State directed my arrest, aware that the charge was groundless and baseless, and stated that the legality of my arrest could only be tested by a writ of habeas corpus. The immunity granted by the Constitution had no force and effect.

Following the issue of the warrant for my arrest in the criminal court, a motion was made to dismiss the complaint and vacate the warrant. The motion was denied by Justice Shalleck on September 1 last year.

Listen to this, now: The case was set down for trial on November 30, 1964. Since the case had been set down for trial on this date, the clerk of the court recalled the warrant and retired it.

However, someone, without authority—or maybe with authority—reissued the dead warrant, which had expired because the case had been set down for trial on a certain date. Since the purpose of the warrant was to bring me before the court to answer a charge, and since the case had been put down for trial, the warrant expired because its purpose had already been accomplished by the setting of the date for the trial. It had already been withdrawn. But some person, with or without authority, went to the clerk's office, and separated the warrant from the papers to which it had been attached and reissued it 2 or 3 days before the case was to come up for trial.

Now as to this past week, the February 10 decision.

On April 2, 1964, a complaint and summons—this is very important—was allegedly served at the premises of 120 West 138th Street. April 2. At that time, it was a matter of public record that neither I nor my wife resided at that address. It is a matter of record at the board of elections. We did not reside there. We resided on Seventh Avenue. Therefore, the court acquired no jurisdiction to conduct an inquest against me based upon the papers which were allegedly served but were not correctly served. Yet the court proceeded with the inquest and a judgment was obtained on February 10—now a total sum of \$210,000.

Let us go on higher up, beyond the political judges and underworld-controlled judges to the court of appeals.

With regard to the original judgment obtained against me, various legal questions were raised, questions of the utmost importance to you ladies and gentlemen and to the constitutional privileges of a Congressman to speak to his constituency. These questions were never ruled on by the Court of Appeals of New York State. The rulings of the trial court were never passed on by the court of appeals. The legal issues of the

ruling were properly raised in the higher court, but they were never passed on by the court of appeals.

A very basic question was raised in the trial of this case. That was whether there exists a qualified privilege when remarks which were made on the floor of the House are repeated outside the House. There is no relevant difference between communication of congressional speeches by the printed pages of the CONGRESSIONAL RECORD and communication through the facilities of television and radio and by the words that come from a human being's mouth. Yet, this legal question was not passed on at all by the Court of Appeals of New York State.

The court of appeals never passed on the question of whether a Member of Congress is privileged for statements made pursuant to his public duties.

There is involved in this case a coincidence which is almost humorous. I mentioned it before. I bring it up again. The basic case which I used in my appeal to the U.S. Supreme Court was the case of the New York Times against Sullivan. In that case, the New York Times found itself in precisely the same posture as I was. The New York Times stated that a libel law could not be used to limit its right of freedom of speech under the first amendment, in matters uppermost in the public mind. Thus, the unfriendliest newspaper in the United States to me in the entire course of these events made precisely the same contention that I made in this case, yet the Supreme Court ruled in their favor.

Yet neither the Court of Appeals of New York State nor the New York State Supreme Court passed on this important question. It should be noted that the plaintiff herself placed little value on this case. The plaintiff offered to settle this case with me for \$8,000. However, I was advised at that time, according to the law that I have just cited, that I could assert my congressional immunity. Whether this advice was good or bad is not important, but the point is that it has ballooned out of all proportions—from \$8,000 to a quarter of a million dollars. The sole object is to keep ADAM POWELL out of New York.

The Columbia Broadcasting System on their part settled for the huge sum of \$2,000, which was an indication of who they wanted to keep out of New York.

I say to you that I believed at the time, and I believe now, that I had and have the right to speak. Since that legal right is the essence of this suit, I should have liked for the courts to have passed on it, but the courts have never issued an opinion on the legal issue of this case. At this moment every Member of the U.S. Congress stands in the same position that I do. There has never been an opinion upon this matter. Furthermore, I would like to point out that I have been tried three times in New York County by all white juries. Thirty-five percent of the people in New York County are Negroes and Puerto Ricans. Just the other day the Supreme Court ordered a new jury trial—I think it was in Mississippi or Alabama—because they had excluded Negroes from the jury. Maybe there is a point involved here. Maybe I will have

to invoke the Civil Rights Act to protect me in New York City. Too often justice has suffered from the bias of a jury. This does not square with our historic view of the role of a jury in this country. The symbol of justice is a blindfolded woman and in her hand a set of scales is placed. This blindfold to me does not symbolize a disregard of the results, but impartiality. If justice in the United States were as impartial as its symbol, then we could applaud civilization, but all too often it is a blindfolded villain which aimlessly consumes those whom it was intended to protect.

However, this matter is finally concluded. That is why I have never said anything up to today. It is concluded. I would not make a decision on this matter prior to this because I have not gotten that final judgment. The court of last resort on January 18, without an opinion, rendered a final judgment in favor of the plaintiff. I have been told some of my friends are organizing efforts to help me in this matter. I am heartened by this. I have fought for the people of Harlem all my life, since I have been 6 months old, and now they have indicated that they are supporting me in this fight. If it were otherwise, perhaps my successor or you would be more timid as a representative. If I had not the support of my constituents in this way and in this hour, perhaps another Congressman would come one day who would be all too cautious in standing on the public platform and bringing to the attention of his city and State the corruption which too often afflicts them. Having that support I rededicate myself to the battle against corruption, brutality, and the vice of public officials with the real assurance I shall ultimately prevail. Beginning next week I shall take this floor and start doing just what I did 4 years ago—naming the places and the number of dope drops in Harlem. Right now another all-white jury—news has just come to me that another all-white jury is looking into charges of fraud and conspiracy in this case. I would like this jury to investigate why there are no Negroes and Puerto Ricans on the juries in New York City. Let us forget about Mississippi for a while. I would like this jury to investigate why half of the dope in the United States comes to Harlem and why, when a national television chain spreads this across the screens of the Nation in their documentary of a few months ago nothing happened; why only 35 pounds of heroin have been recovered in this Nation out of 1.5 tons; why police officials can receive \$3,000 per drop in Harlem every month and to whom does it go. Why can, not a Member of Congress, but just an ordinary John Doe American, be subject to criminal arrest without any affidavits, without any testimony and without any witnesses? Why is it a crime to give \$900 to your wife and not a crime to give \$3,000 to a cop who operates a numbers drop? Why is it that just the other day the lawyer for the plaintiff lied and tried to use extortion against me and the FBI took an agent, Linebaugh, and sent him up there, where he was confronted with the witness, and still lied to them?



Why is it that my Harlem, Spanish Harlem, Italian Harlem, Black Harlem, is the dumping ground for dope in the United States?

I do not know how long I will be able to do it, but as long as I have breath I will not allow the criminalization of my people or any people; the pauperization of my people or any people, the degradation of any people.

I am only one, but I am one. I cannot do everything but I can do something. What I can do, that I ought to do; and what I ought to do by the grace of God I will do.

#### INCENTIVE FOR ZIP CODE USERS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Montana [Mr. OLSEN] is recognized for 5 minutes.

Mr. OLSEN of Montana. Mr. Speaker, I have today introduced a bill designed to persuade volume users of the mail to use ZIP code numbers and to presort their mail by ZIP code sectional centers. In a press release yesterday I expressed the fear that the ZIP code regulation just issued by the Postmaster General is too harsh a requirement on business users of the mail and that the Congress should decide whether or not mandatory ZIP coding is desirable. My bill would prohibit the inauguration of a mandatory ZIP code system at this time.

If, because of the growing volume of mail, the Post Office Department considers it desirable for mail patrons to perform the sorting of mail now done by postal clerks, they should have some incentive for doing the work. My bill would provide for a half-cent discount on each piece of first-class and air mail which contains a ZIP code number and is presorted under requirements designed by the Postmaster General. Bulk third-class mail users already presort their mail by city and State. If they are willing to make an additional sort by ZIP code numbers, they should be rewarded for their efforts. These mailers would be afforded three-eighths of a cent per piece for adding the ZIP code number to each piece of mail and for presorting it into ZIP code sectional centers.

The inauguration of a ZIP code system is a fantastically complicated piece of business. Each Member of Congress will recognize the ramifications of the problem if he considers just how difficult it would be to ZIP code and presort the mailings going out of his own office. I doubt that Members of Congress would ever require constituents to perform work which they are unwilling or unable to do themselves.

I should like to emphasize the preamble of the Postal Policy Act of 1958 which states:

The Congress hereby emphasizes, reaffirms, and restates its function under the Constitution of the United States of forming postal policy.

This is a constitutional duty which we cannot delegate to others. The Postmaster General's order instituting a new addressing system for U.S. mail is a radical departure from established practice. It is the kind of change which would affect

every citizen and should not be instituted without full consideration by the House and Senate. I am hopeful that my bill will become the subject of hearings in the near future. The Postmaster General's regulation, unless rescinded, will require the presorting of certain mail by ZIP code on July 1 of this year. In my judgment, such a requirement would have disastrous economic effects.

#### FOREIGN AID ISSUE DEMONSTRATES NASSER'S GENIUS FOR CREATING CONFLICT EVEN IN WASHINGTON

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

Mr. FARBERSTEIN. Mr. Speaker, I submit an interesting analysis of the recent congressional action on aid to Egypt written by Elihu Bergman, which was distributed nationwide last week by the Jewish Telegraphic Agency. This column suggests the desirability of a hard look at U.S. preoccupation with Egypt as the focus of its Middle East diplomacy:

FOREIGN AID ISSUE DEMONSTRATES NASSER'S GENIUS FOR CREATING CONFLICT EVEN IN WASHINGTON

(By Elihu Bergman)

WASHINGTON.—The first encounter of this year's foreign aid contest ended in a draw, and left none of the contestants in a happy frame of mind. The Congressmen and Senators who wanted to prohibit U.S. food shipments to Egypt were able to raise dust and throw a scare into the administration earlier in the game than usual. But they did not succeed in terminating aid in general and aid to Nasser in particular, as many of them hoped to accomplish.

After being caught off guard by a defiant House, where it enjoys the greatest majority since the heyday of the New Deal, the administration as usual pulled its chestnuts out of the fire in a more pliable Senate. Further aid to Egypt this year is prohibited, except for the remaining agricultural commodities in question, and only if the President determines that their provision is "in the national interest."

But administration foreign policy makers went away scarred, and even more apprehensive about the main event which is yet to come when the foreign aid bill is presented for congressional consideration later in the spring.

The third party to the exercise, Colonel Nasser, was unusually restrained in his reactions. Egypt needs the final \$37 million shipments of agricultural products to prop her sagging economy. She most likely will receive them because the President is expected to determine that such action is "in the national interest." But, Colonel Nasser doubtless wishes he did not have to put up with such indignities as the U.S. aid process now involves. Meanwhile the good angel who always seems to lurk in the Egyptian leader's tent delivered a \$70 million aid credit from East Germany, and with it an opportunity for Nasser to enjoy some mischiefmaking with the frantic West Germans.

The main issues highlighted by this encounter were essentially the same that have arisen with predictable regularity in past years. For the Congress, it is an increasing disenchantment with the U.S. aid program, and a rising fury with aid recipients who are chronically hostile to the United States and its foreign objectives. For the administration, it is a growing annoyance with a Congress that considers itself free to dabble in

the complex and delicate business of foreign policy, where it has neither constitutional responsibility nor special expertise.

The foreign aid legislation provides the protagonists an ideal ground for their yearly battle. Since foreign aid became an essential part of the American foreign policy landscape, the administration quite correctly has used it as a tool in the making of that policy. But Congress must annually authorize the aid program, and appropriate the substantial funds for it. Here the circle is joined, with constitutional authorities and responsibilities duly obscured by political realities. For nobody can tell the Congress it does not possess the qualifications to sit in judgment of the objects for which it is requested to appropriate public funds.

Nobody argues with the notion that U.S. diplomacy is a delicate, sensitive, and complex business that must be practiced in volatile and rapidly changing situations. And certainly nobody challenges the constitutional assignment of the foreign affairs function to the President. But frustration and disappointments, justifiable or not, about the results of American foreign policy run high in and out of Congress. This is more a reaction to the baffling world in which American diplomacy must be practiced, than it is a reflection on the quality of that diplomacy.

Still it is a reality of modern American life that the President will enjoy assistance from hands and voices outside his executive branch family in the shaping of foreign policy. And this help is characteristically provided where the administration least wants it. Egypt is a good case in point.

The President's principal foreign policy adviser, the Secretary of State, has long considered Egypt the key to achievement of U.S. objectives in the Middle East. Under Secretary Ball again underlined this position in his recent Senate testimony. Egypt is the most populous, the strongest, and the most highly developed nation in the Arab world. Therefore—so this thinking goes—Egypt is potentially capable of leading the countries of the area into a condition that will facilitate U.S. objectives—stability, peace, economic development, and the absence of Soviet penetration.

Critics of the State Department maintain that the fixation on Egypt and Nasser is the very reason that U.S. objectives in the Middle East are not being realized. They suggest that Egypt also is responsible for frustrating U.S. goals in places even farther afield than in the Middle East, such as the Congo and elsewhere in Africa. They point to a distinguished record of international buccaneering by Egypt—arms deals with the Soviet bloc; incursions against Israel; subversion in other Arab countries; seizure of the Suez Canal; intervention in the Congo; troublemaking in Iran; and similar transgressions. These activities are not conducive to peace, they set back economic development, and they are calculated to produce political instability, all of which provide fertile ground for Soviet penetration.

The more despairing critics say that, while Nasser is free to engage in them and suffer the consequences, the United States need not underwrite his international adventures. Through its aid program over the past 3 years, the United States has supplied an estimated one-quarter of Egypt's food needs. Egyptian funds that otherwise would have been required for food and fiber are thus released for diversion to enterprises of a more questionable nature. This is what disturbed the Congressmen.

Some critics of current State Department thinking are sanguine about prospects for achievement of U.S. goals in the Middle East, provided there is a change in the direction of U.S. diplomacy in the area. They suggest that a withdrawal from the Nasser syndrome might have the reciprocal effect of causing



an upgrading of the other regimes in the Middle East. Governments in Lebanon, Jordan, Libya, and Saudi Arabia would have a collective sigh of relief if the Egyptian omnipresence was removed as a daily condition of their existence. And in a region where instability is chronic, perhaps the most unstable—Syria and Iraq—might enjoy some relief if the prime exporter of instability is depressed. As for the faceless Arab masses, from whom Colonel Nasser draws substantial support, they are fickle by tradition. And if Nasser lost face, they quickly could turn to another image, hopefully from within their respective countries.

Those who would help the President with his foreign policy are generous with their suggestions. But they are also genuinely concerned. They feel something is awry in the Middle East. And without diverting him from the other points on his compass, they hope the President will take a good hard look at the place.

#### NATIONAL SCIENCE FOUNDATION GRANTS

Mr. RUMSFELD. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. MINSHALL] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. MINSHALL. Mr. Speaker, as a newly assigned member of the Appropriations Subcommittee on Independent Offices, which encompasses some 22 Federal agencies, I am finding a new workload of budget study and examination. Combined with the assignment I have had the last 6 years on the Department of Defense Appropriations Subcommittee, I have the responsibility of helping make initial congressional decisions on some \$63.5 billion of the 1966 Federal budget, nearly two-thirds the amount the administration seeks to spend in the next fiscal year.

The 22 agencies which come within the purview of my new subcommittee are Civil Defense Activities, Civil Aeronautics Board, Civil Service Commission, Federal Aviation Agency, Federal Communications Commission, Federal Home Loan Bank Board, Federal Power Commission, Federal Trade Commission, General Accounting Office, General Services Administration, Housing and Home Finance Agency, Interstate and Foreign Commerce Commission, National Aeronautics and Space Administration, National Aeronautics and Space Council, National Capital Housing Authority, National Science Foundation, Office of Emergency Planning, Office of Science and Technology, Renegotiation Board, Securities and Exchange Commission, Selective Service System, and the Veterans' Administration.

That is about as diversified a field of Government activities as one could ask and it is providing me with a mountain of hearings and reports as I endeavor to acquaint myself with the spending history of each agency.

The National Science Foundation's 14th annual report crossed my desk yesterday, two attractive volumes detailing the Foundation's work in 1964.

Since Foundation officials will appear before the subcommittee in March, I read the program activities report and listing of grants and awards with close attention.

It certainly has never been my habit to prejudice, and I can only remark that I await the opportunity to sit across the hearing table from witnesses appearing for the Foundation.

Meanwhile, it may interest colleagues in the House, as it did me yesterday, to contemplate a few of the basic research project grants sponsored by the Foundation.

#### CASTRATING SALMON

On page 31, of the annual report, we are advised that—

O. H. Robertson, of Stanford University, is studying Pacific salmon, a species which always dies shortly after spawning, an almost unique phenomenon among vertebrates. He observed that, by the time of spawning, the pituitary gland exhibits greatly increased activity and has increased in size. Such activity causes degenerative changes in many of the organs of the salmon. To determine if these degenerative changes which lead ultimately to death could be inhibited, spawning was prevented by castration. The noncastrated salmon all matured and died in their fourth year, while the castrated salmon continued to live and keep their juvenile appearance until the seventh year when they began to show evidence of senility.

And, on page 33 of the report:

Peter Marler and Mikawo Tamura, of the University of California, Berkeley, have recently examined the developmental basis of vocal behavior for a group of sparrows, finding clear evidence for the role of cultural transmission in the maintenance of normal patterns of singing behavior.

On page 34, we learn of a federally subsidized study of the genealogy of the common white potato, underway at Texas Research Foundation.

No indication is given in the report of the amount each of these programs is costing the American taxpayer, but the accompanying volume of grants and awards for 1964 includes the following National Science Foundation basic research support items:

The structure and physiology of cauliflower, University of California, \$24,500.

Development of the avian embryo in relation to its supply of nutrients, University of California, \$47,300.

Chemical differentiation in flower parts, Indiana University Foundation, \$27,900.

Regional histological and histochemical study of the rat uterus, William Jewell College, Missouri, \$15,400.

Analysis of the pigmentary system in spotted mice of the W series Alleles, Rider College, New Jersey, \$13,700.

Normal and experimental embryology of the turtle, Research Foundation of the State University of New York, \$37,300.

Studies of floral development, University of Oregon, \$41,100.

Fright substances and alarm reactions in mollusks, Cornell University, \$11,200.

Induced gonadal and somatic mosaicism, University of California, \$62,000.

Calcium uptake by fragmented sarcoplasmic reticulum, University of Birmingham, England, \$9,500.

Synthesis of quinoidal derivatives of pyrimidines and related heterocycles, Bar-Ilan University, Israel, \$25,000.

Evolution of behavioral patterns in Galapagos finches and mockingbirds, Frederick Burk Foundation for Education, San Francisco, Calif., \$46,600.

Developmental study of hippocampally ablated kittens, University of Michigan, \$4,800.

The flora of Fiji, University of Hawaii, \$40,600.

Life history of floecious tapeworm, Duke University, \$7,900.

Copepod crustaceans, parasitic on fishes, University of British Columbia, Canada, \$4,300.

Morphology and phylogeny of the heteropteran head, University of Toronto, Canada, \$8,300.

Studies of siphonaptera, East African Institute of Mararia, Tanganyika, Africa, \$15,000.

#### SCARED CLAMS

Until I have had an opportunity to interrogate National Science Foundation witnesses, I offer no comment other than the fact that I am intrigued by the idea of taxpayers supporting studies of how mollusks react when frightened. I have always accepted cool as a clam as a truism, and I question how many taxpayers appreciate having their money spent to perhaps learn otherwise.

#### LEGISLATION TO AMEND THE CIVIL SERVICE RETIREMENT ACT

Mr. RUMSFELD. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. EDWARDS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. EDWARDS of Alabama. Mr. Speaker, I am introducing legislation today to amend the Civil Service Retirement Act in favor of Federal employees. My bill would enable Government workers to retire earlier with their earned benefits.

Under the provisions of this bill a civil service employee could retire with full annuity after 30 years of service regardless of his age, thus eliminating the present requirement that the employee be 60 years of age.

The proposal also would qualify an employee for retirement with full annuity after 20 years of service, regardless of his age, if his job is eliminated when a military base is closed or through some similar action beyond the employee's control.

The bill also lowers from 30 to 25 the number of years an employee must have served in the civil service if he wishes to retire between the ages of 55 and 60 with a reduced annuity.

This legislation will have the effect of easing the adjustment for many loyal Government employees at military bases should the bases be closed. It will also have a beneficial effect on the economies of areas adjacent to any bases which may be closed, and will provide general benefits throughout the civil service system.

### FREEDOM FOR CAPTIVE LANDS

Mr. RUMSFELD. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DERWINSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. DERWINSKI. Mr. Speaker, on February 18, 1921, the Armenian people rose in revolt against the Soviet Union, but despite their heroism they were overcome by force of arms of the overwhelming manpower of the Communist forces.

The Armenian uprising was especially tragic in that Soviet control of the area was reasserted just 2 months earlier under the pretext of providing freedom and protection.

In this day and age when colonialism is still a major issue on the U.N. agenda, we must reemphasize that the only major colonial power existing today is the U.S.S.R.

We must further reemphasize that the Armenian people and other captive nations of communism must be free if the principle of self-determination of peoples is to be effectively honored.

The determination of Armenians to retain their freedom wherever they may be is certainly to be saluted. Freedom-loving people everywhere share the desire of these people for the restoration of a free and independent Armenia.

Mr. Speaker, the most effective way for us to rededicate ourselves to the legitimate cause of the Armenian people is to urge upon our State Department a policy based on eventual freedom for the captive lands in necessarily direct contrast to the present policy of appeasing the Soviet Government.

### H.R. 5062, PROVIDING FOR APPOINTMENT OF FEDERAL REGISTRARS

Mr. RUMSFELD. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SCHWEIKER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. SCHWEIKER. Mr. Speaker, yesterday I introduced civil rights legislation (H.R. 5062) providing for the appointment of Federal voting registrars. Recent events in Selma, Ala., clearly demonstrate that Negroes are being denied the right to register and vote through the use of intimidation, obstruction, and intolerable delay. We do not give our Negro citizens the chance to delay sacrificing their lives in Vietnam but we present them with endless delays in their struggle to exercise the right to register and vote in communities such as Selma, Ala.

The Schweiker bill provides for appointment of Federal registrars when a Federal court finds a practice of discrimination in which at least 50 citizens in a voting district have been denied their right to vote.

If the court failed to find a practice of discrimination or failed to appoint registrars within 40 days, the President would do so if he received affidavits from 50 qualified citizens in the area that they had been denied the right to vote.

The registrars would register qualified citizens within the area and any applicant who has a sixth-grade education would be deemed to comply with all literacy, education, knowledge, or intelligence requirements under the Schweiker bill.

The bill also provides that the Federal registrars would oversee elections in the affected area and that the court would void the election if 50 or more persons in the area were refused permission to vote. Local voting officials who refuse to permit persons registered by the Federal registrars to vote could be held in contempt of court.

Mr. Speaker, I urge action on this legislation at the earliest possible moment. We must not delay longer in assuring that all citizens of this Nation are accorded their rights.

### ASSISTANCE TO APPALACHIAN REGION

Mr. RUMSFELD. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SAYLOR] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. SAYLOR. Mr. Speaker, while the legislation under consideration does not parallel in all respects the bill (H.R. 146) which I introduced on January 4 to provide for assistance to the Appalachian region, I feel that the measure as presently constituted will lay an excellent foundation for what we all seek to accomplish.

As I have already explained to my colleagues, in my opinion the maximum Federal assistance for highway construction should be increased to 80 percent, as provided in H.R. 146, instead of the 70-percent lid contained in the bill before us. Once the Appalachian Regional Commission recommends that construction of a highway in a particular area is advisable and important to the economic rehabilitation of that area, the whole purpose of this legislation would be defeated if the State were unable to make its contribution to the project. For this reason it is important to give the Commission more leverage than that now provided in this bill so far as Federal-State financial responsibilities are concerned.

At this time I wish to include my remarks before the ad hoc Subcommittee on Appalachia, House Public Works Committee, on February 5, 1965:

Mr. Chairman and members of the Special Subcommittee on Appalachian Development, I appreciate this opportunity to discuss with you legislation to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region. My interest in this legislation is based

upon several factors—not the least important of which is the fact that the three counties I have the privilege of representing (Cambria, Indiana, and Armstrong) in the Congress are included in the definition of the Appalachian region. However, I am also interested in this legislation because of a sincere belief that we, as a nation, can be only so strong economically as our weakest part.

I do not think it is necessary to reiterate the dismal statistics indicating the unfortunate economic conditions in Appalachia for these data have been repeatedly spread upon the record of public hearings before distinguished committees of both bodies of the Congress and upon the public conscience by national communications media.

Mr. Chairman, I have introduced H.R. 146—an Appalachian regional development bill. Primarily, my bill is identical with the bill which was reported favorably by the House Public Works Committee last year. Therefore, it does not include the various changes from last year's bill which were included in H.R. 4 this year. I do not have any objection to the various changes contained in H.R. 4. There is one significant difference between my bill and H.R. 4 which I would strongly urge the committee to incorporate in any bill favorably reported. This change is found in the provision for an Appalachian development highway system contained in section 201.

Section 201(f) of my bill provides for a maximum of Federal assistance up to 80 percent of highway construction costs as compared with a maximum of 70 percent in H.R. 4. This proposed increase of 10 percent in the Federal contribution could have a significant, beneficial effect on developing an Appalachian highway system in the area which we all admit is suffering from severe economic distress. As an indication of the hardship which the 30-percent State contribution under H.R. 4 would place on States in the region, may I call your attention to a statement made by Gov. Hulett Smith, of West Virginia, before the Appalachian Subcommittee of the Senate Committee on Public Works—January 21, 1965. The Governor said:

"I must say in frankness that even 30 percent of the cost will be difficult to provide in a State such as West Virginia, which lies entirely within the Appalachian range and has a limited capital base from which to draw revenues for highways. However, we are determined to do our best."

The good folks of West Virginia may be determined to do their best to meet the 30-percent State contribution to highway construction, but it seems to me if the Congress sincerely wishes to provide real help, the State contribution should be reduced to 20 percent.

There may be some areas of the Appalachian region that would be better able to make a larger contribution to highway construction. Establishing the 80-percent maximum on Federal contribution would permit some areas to carry a larger share of the program if they were financially capable. Mr. John Sweeney, Chairman of the Federal Development Planning Committee for Appalachia, told the Senate Public Works Committee that he thought all the highway program would be built on the 70-30 basis. This is not required by the act but rather it is permissive. For this reason, I feel it would be more beneficial to increase the ratio from 70-30 to 80-20 and require some areas to come into the program at less than the maximum Federal participation. I think this section could still be carried out within the \$840 million authorization for appropriation even with the increase in maximum Federal participation in some States.

Mr. Chairman, despite my general approval of this legislation, my reading of the Senate committee report on S. 3 (S. Rept. No. 13)



has caused me a little bit of concern as to whether we are inadvertently including some new guidelines for water resource development. The Senate committee report states on page 16:

"The committee also understands from testimony that, in conducting the water resources survey, the Corps of Engineers will not delay authorized study programs or the reporting of existing studies which contain favorable recommendations. Further, the committee understands that this section will enable the Corps of Engineers to review areas where in the past it had not been able to recommend development work under existing criteria, and the committee understands that revised reports will be made on projects which might qualify under criteria developed from this act."

I would suggest that any witnesses from the Corps of Engineers to appear before this subcommittee on H.R. 4 be questioned in depth as to what sort of development work which the corps has been unable to recommend under existing criteria that might now be possible under criteria contained in this act.

Mr. Chairman, again I would like to express my appreciation for this opportunity to present my views today and repeat my sincere urging that the committee favorably consider my suggestion to increase Federal participation on the highway program to a maximum of 80 percent.

Mr. Speaker, the bill has also been amended in the Senate to restrict reclamation and rehabilitation of strip and surface mining areas exclusively to those in the public domain, whereas H.R. 146 would extend to private lands on which there is provided access and use by the public to assure an adequate public benefit. Yet I do not intend to protest this modification by the Senate, Mr. Speaker. I feel that this section of the bill as it now stands will be the foundation of an excellent start on getting into good use some of the wide areas of land now lying idle and unusable after having been devastated by shovels and draglines.

As a native of a region where wide expanses have been laid waste by strip-ping operations, I have long advocated that Congress lead the way toward removing the ugly scars on our landscapes through the medium of a study such as that provided in the Appalachia bill. The study will assist in determining the appropriate roles of Federal, State, and private interests in the reclamation and rehabilitation of strip and surface mining areas and the relative costs to be borne by each.

Meanwhile the provisions of this bill, even with the Senate's restrictive amendment, can open the way to immediate restoration of some of the pocked countrysides. I would hope that a good portion of stripped lands, now abandoned and almost valueless, can be added to the public domain in order to qualify for restoration without delay. While the need for such action is by no means exclusive to the State of Pennsylvania, we who have long been exposed to environs ravaged by draglines and shovels recognize the rehabilitation program as vitally important to economic growth. It will not only enhance our scenic attractions, open more recreation areas to the public, and restore fish and wildlife, but it will also show the way to further development of forestry and agriculture.

Mr. Speaker, unless one has visited reclaimed stripped mine regions, he cannot fully appreciate the benefits that are to accrue to a countryside if the land is properly cared for after the coal has been removed. Although the whole reputation of the coal industry has been tarnished by large numbers of irresponsible hit-and-run operators unconcerned about the looks of the land once they have finished with it, those companies who recognize public duty and public accountability have for years followed a policy of reclaiming the land they strip, often returning it to better use than in its original state.

The unsightly and devastated strip lands of Pennsylvania are largely the work of operators who, in their greed to remove the coal as economically as possible, did nothing whatsoever toward replacing overburden and topsoil. Most of the land was leased, or a royalty system was worked out with owners. From time to time State legislatures passed meaningless strip-tease laws that led the public to believe that reasonable reclamation methods were mandatory, but not until recently has there been any semblance of adequate legislation and enforcement powers in our mining States. Only a relatively few companies lived up to their public responsibility.

In the past week I have received a brochure on strip mining from an organization known as the Mined Land Conservation Conference, with headquarters in the Coal Building in this city. I assume that copies have also come to the desks of my colleagues, and I commend this booklet to your attention. It explains and illustrates techniques of mining companies which, through proper reclamation practices, create new forest areas, farms and grazing lands, lakes for boating and fishing, and wildlife preserves and public hunting areas. In short, it demonstrates what can happen to the desecrated stripped lands in your State and mine if a reasonable effort is applied.

Mr. Speaker, there are countless acres of damaged lands in Pennsylvania that can be given new life under the provisions of the Appalachia bill. Let us get started on a project that has been too long neglected.

#### WE DO REMEMBER THE "MAINE"

Mr. RUMSFELD. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire [Mr. CLEVELAND] may extend his remarks at this point in the Record and include extraneous matter.

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

There was no objection.

Mr. CLEVELAND. Mr. Speaker, under the auspices of our beloved colleague, the gentleman from Illinois [Mr. O'HARA], our last veteran of the Spanish-American War, I am proud to mark this February 15, the 67th anniversary of the sinking of the battleship *Maine*. This terrible disaster triggered the first global war in which we were involved and through our swift and overwhelming vic-

tory thrust us onto the world political scene as a new international power of tremendous importance.

Our global responsibilities and involvements have burgeoned to the point where we are today the chief bulwark and leader of the free world.

The ranks of our Spanish-American War veterans are now thin and old. Their average age is 83. We are proud of them. We do remember the *Maine* and the heroes of old. They started us on a new path of world commitment. They have established for us the highest standards of patriotism and devotion to duty.

Let us pray that we shall do no less for those who follow us.

#### CLEVELAND OFFERS MASSIVE FEDERAL EDUCATIONAL BROADCASTING BILL

Mr. RUMSFELD. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire [Mr. CLEVELAND] may extend his remarks at this point in the record and include extraneous matter.

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

There was no objection.

Mr. CLEVELAND. Mr. Speaker, today I have introduced a bill to provide a massive program of Federal aid to education through the use of educational broadcasting and audio-visual techniques.

This bill calls for first-year appropriations of \$1 billion to be allocated to the States on the basis of population with the controls of spending left to the educational authority of each State.

These funds would be used to create new educational radio and television broadcasting facilities or expand existing ones, as each State thinks fit. If a State wishes, it may also use the money to purchase time for educational broadcasts on commercial stations. The bill further envisions the creation of libraries of audio-visual aids and materials to be used in connection with these broadcasts.

While aimed primarily at elementary and secondary schools, institutions of higher education are authorized to benefit from the program.

The bill is designed particularly to avoid the constitutional disputes which have previously blocked Federal aid to primary and secondary schools. There would be no constitutional bar to private and parochial schools' using programs being broadcast generally. Nor do I anticipate any constitutional objections to allowing private and parochial schools to borrow or lease for a nominal fee audio-visual materials as they are available from the State repositories authorized under the legislation. This would be for the individual States to determine but there would be no Federal objections.

The needs of primary and secondary are great and, although this bill is not the complete answer, I sincerely believe it offers a major opportunity for providing real help. Educational television has already demonstrated its effectiveness and this is true of radio as well.

Through them the largest possible number of students can benefit from the instructions of our finest teachers using the most up-to-date equipment and techniques.

Like all professions, the teaching profession has its outstanding stars, persons whose special talents and abilities put them at the top. Through modern broadcasting, these talents can now be released and distributed so that the whole population may benefit. All teachers would benefit from this stimulation and their classes as well. Indeed, I imagine that millions of persons out of school would enjoy and benefit from watching and hearing top educational programs.

Through this bill and the wise use of the resources it would develop, much duplication of teaching effort would be eliminated. Local instructors would be able to concentrate more in giving individual attention than they can do now because they would be freed to a large extent from the necessity of working up separate courses. Yet each would still be able to provide his own personal touch to the broadcast course and fill in the gaps left by the lecturer.

The States would be free to create their own curricula and to coordinate their efforts with neighboring States in areas where broadcasts may reach into several States.

I urge my colleagues to give this measure careful study and I invite additional sponsors and, of course, welcome all comments and advice.

#### BASIC NECESSITY

Mr. RUMSFELD. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MORSE] may extend his remarks at this point in the Record and include extraneous matter.

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

There was no objection.

Mr. MORSE. Mr. Speaker, one little-noticed deficiency in our national educational system is the lack of attention given to instruction in the use of libraries.

A recent study of prospective teachers showed that 60 percent could not use the cards in a card catalog properly and that 35 percent could not interpret a cross reference in the Readers' Guide to Periodical Literature.

These are shocking figures and the Lowell, Mass., Sun has dramatized them in a recent editorial calling for a required freshman college course in library fundamentals.

I want to call this editorial of February 15 to the attention of my colleagues by inserting it in the CONGRESSIONAL RECORD following my remarks.

The editorial follows:

#### BASIC NECESSITY

To build anything, you need tools. If what is under construction is something called the Great Society, surely one of the basic tools is a sound educational system. And within that system, a basic accessory tool is surely the library.

But according to Francis Keppel, U.S. Commissioner of Education, more than half the Nation's public schools lack this requirement for forming educated, creative citizens.

To be exact, 53 percent of all public schools (70 percent of elementary schools) don't have libraries. In many cases, where libraries exist, they are inadequate.

The administration has slated \$100 million to attack this situation as part of its proposed \$1.5 billion Federal aid to education program.

Even if libraries were provided for these deficient schools, there is disturbing evidence that a sizable proportion of the teachers charged with instructing children in the use of them wouldn't know how to go about it.

Testing 4,170 prospective school teachers in 69 colleges in 38 States, Ralph Perkins, director of library education at the University of North Dakota, found that 35 percent of them were unable to interpret a cross reference in the Readers' Guide to Periodical Literature; 60 percent could not use the cards in a card catalog, and 90 percent did not know the meaning of a New York Times index citation.

Many of these prospective teachers didn't know the difference between a biography and a bibliography.

The reason, says Perkins, is simply that nobody ever taught them. In many colleges, a group tour of the library during orientation week is the only instruction students ever get.

The remedy is equally simple: A required freshman course in library fundamentals, conducted by a trained librarian.

The need would seem to be on a par at least with football stadiums and student recreation centers, if not dormitories, laboratories, and government research grants.

#### HIDDEN TAX BITE

Mr. RUMSFELD. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHBROOK] may extend his remarks at this point in the Record and include extraneous matter.

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

There was no objection.

Mr. ASHBROOK. Mr. Speaker, one thing that has become increasingly obvious to me during the past months is the lack of general public understanding concerning the size and the breadth of excise taxes which are collected each year. Few citizens realize that there are so many hidden Federal Government bites coming out of their pockets each and every day of the year. These excise taxes are enumerated in a recent budgetary compilation and I am including them at the close of these remarks.

Excise taxes reach out to every automobile transaction and are even added to the price that the student must pay for his musical instrument or certain athletic gear. Few Americans recognize the extent of this hidden tax bite. Telephone calls, railroad fares, entertainment, jewelry—hundreds of daily transactions are subject to the excise tax grab. It is time that we start surfacing some of these taxes and tell the American people the degree to which they are being directly and indirectly taxed in this Nation of ours.

TABLE 13.—Sources of receipts

[NOTE.—Estimates include effects of proposed legislation except for proposed excise rate reductions which are shown in total only]

[In millions of dollars]

Description	1964 actual	1965 estimate	1966 estimate	Description	1964 actual	1965 estimate	1966 estimate
ADMINISTRATIVE BUDGET FUNDS				ADMINISTRATIVE BUDGET FUNDS—CON.			
Excise taxes:				Excise taxes—Continued			
Alcohol taxes:				Taxes on documents, other instruments,			
Distilled spirits (domestic and im-				and playing cards:			
ported).....	2,536	2,650	2,750	Issues of securities, stock and bond			
Beer.....	887	915	940	transfers, purchases of foreign securi-			
Rectification tax.....	25	26	28	ties, and deeds of conveyance.....	163	175	190
Wines (domestic and imported).....	108	134	140	Playing cards.....	9	10	11
Special taxes in connection with liquor							
occupations.....	21	23	24	Total taxes on documents, other in-			
Total, alcohol taxes.....	3,577	3,748	3,882	struments, and playing cards.....	172	185	201
Tobacco taxes:				Manufacturers' excise taxes:			
Cigarettes (small).....	1,977	2,050	2,075	Gasoline.....		4	51
Manufactured tobacco (chewing, smok-				Lubricating oils.....	76	77	78
ing, and snuff).....	17	18	18	Passenger automobiles.....	1,746	1,775	1,825
Cigars (large).....	56	60	63	Parts and accessories for automobiles.....	229	237	242
Cigarette papers and tubes.....	1	1	1	Electric, gas, and oil appliances.....	78	81	85
All other.....	2	2	2	Electric light bulbs.....	42	44	47
Total, tobacco taxes.....	2,053	2,131	2,159	Radio and television receiving sets,			
				phonographs, phonograph records,	244	266	287
				and musical instruments.....			



TABLE 13.—Sources of receipts—Continued

(NOTE.—Estimates include effects of proposed legislation except for proposed excise rate reductions which are shown in total only)

[In millions of dollars]

Description	1964 actual	1965 estimate	1966 estimate	Description	1964 actual	1965 estimate	1966 estimate
ADMINISTRATIVE BUDGET FUNDS—CON.				ADMINISTRATIVE BUDGET FUNDS—CON.			
Excise taxes—Continued				Excise taxes—Continued			
Manufacturers' excise taxes—Continued				Miscellaneous excise taxes—Con.			
Mechanical refrigerators, quick-freeze units, and self-contained air-conditioning units	63	68	72	General telephone service	531	600	630
Business and store machines	72	74	77	Transportation of persons	106	122	140
Photographic equipment	30	35	38	Transportation of freight by air			4
Matches	4	4	4	Fuel used on inland waterways			7
Sporting goods, including fishing rods, reels, etc.	28	31	33	Jet fuel			72
Firearms, shells, and cartridges	17	19	21	Admissions, exclusive of cabarets, roof-gardens, etc.	47	52	57
Pistols and revolvers	2	2	2	Cabarets, roofgardens, etc.	41	43	45
Fountain and ballpoint pens, mechanical pencils	9	10	11	Wagering taxes, including occupational taxes	6	7	7
Total, manufacturers' excise taxes	2,640	2,727	2,873	Club dues and initiation fees	75	80	85
Retailers' excise taxes:				Leases of safe deposit boxes	7	8	9
Jewelry	189	205	215	Sugar tax	95	95	95
Furs	30	31	32	Coin-operated amusement and gaming devices	23	23	24
Toilet preparations	177	197	215	Bowling alleys and billiard and pool tables	6	6	7
Luggage, handbags, wallets, etc.	79	82	87	All other miscellaneous excise taxes	2	2	2
Total, retailers' excise taxes	475	515	549	Total, miscellaneous excise taxes	1,318	1,478	1,659
Miscellaneous excise taxes:				Undistributed depository receipts and unapplied collections	70	48	54
Toll telephone service, telegraph and teletypewriter service, wire mileage service, etc.	380	440	475	Gross excise taxes before rate reductions and repeals	10,304	10,832	11,377

### MARGARINE SOYBEANS AND THE U.S. GOVERNMENT

Mr. MICHEL. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes and to revise and extend my remarks.

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

There was no objection.

Mr. MICHEL. Mr. Speaker, on December 11, 1964, the U.S. Department of Agriculture made a very important announcement. It announced the beginning of a program of importance to all farmers who grow the various oilseed crops. The Department said it would begin buying margarine for people on relief and for the charitable institutions who care for some of our less fortunate citizens. While this buying program started less than 2 months ago, close to 15 million pounds of margarine have been bought by the Department so far.

Margarine today has become one of the largest and most expansive markets for our soybeans in the form of soybean oil. In 1963 margarine used nearly 1.2 billion pounds of refined soybean oil—the equivalent of nearly 50 million acres of the beans.

In this way margarine is serving as a major source of farm income, especially in those areas which, like the Middle West, grow edible oil seed crops.

It should also be pointed out that when margarine makers buy soybean oil, they are enabling the protein part of the bean to be sold at a more economical price as poultry, dairy, and livestock feed. The benefit goes in more than one direction.

In 1964 margarine use of soybean oil probably went up again owing to the

increased sales of the vegetable spread. In 1965 another increase is foreseen.

Many of the margarines used in the United States today are wholly or mostly composed of soybean oil. And margarine has never been made so well as it is now.

It is something of an anomaly, therefore, that the U.S. Department of Agriculture has restricted the use of soybean oil in the margarine it is buying for donation purposes. The Commodity Credit Corporation's stocks of butter ran out late last year. It became necessary to buy margarine—which most Americans who are also taxpayers buy and use anyway.

The Department must follow a policy of not buying products with section 32 funds for donation purposes if they or the commodity from which they are made are over 90 percent of parity. Recently, soybeans have been near this level.

While the Department of Agriculture understandably must follow a policy that is in line with the law as set by the Congress, it would seem to be harmful to require the margarine now being made for the Government programs to do without soybean oil if the margin of soybeans' value over parity is slight, temporary, or a product of the rapid movements of a changing market.

To eliminate soybean oil in effect will require this margarine being made for the Government to be composed mostly of lard. Lard is an excellent product, but it is not the major ingredient of most margarines.

The prices of other vegetable oils are sufficiently higher than those of lard and soybean oil so that the manufacturer, if he is barred from using the latter,

will turn mostly to lard. And, even with pure lard a major ingredient, there will likely be a portion of the composition given over to the more expensive vegetable oils, thus increasing the cost to the Government.

Further, to eliminate soybean oil from this Government program means that many manufacturers of margarines, who do not ordinarily make the animal fat or blend margarines, will not be able to participate. This limits the number of bidders. It is not only discriminatory in effect but jeopardizes the effectiveness of the Government's program.

It is therefore justifiable for the officials in the Department of Agriculture who have handled this program to adopt a policy of reasonableness and flexibility in their interpretation of the inclusion of soybean oil in their invitations when soybeans are near or at or even a fraction over parity value.

So far as I know, they have handled the program well and find themselves in a difficult spot with the soybean market as strong as it has happened to be since they inaugurated their program. Almost by coincidence, just as this program has been started, soybeans have hovered near, slightly above, or just below parity. No doubt, on a somewhat longer term basis, or a seasonal basis, there would not be this problem. Such a basis would be more realistic, and the average price would not be so close to parity level.

It would seem that the use of such a longer term or seasonal parity calculation would be fully justified by the Department in its handling of the technical situation in which it finds itself.

Another aspect ought to be considered. Owing to the decline in butter supplies in Western Europe, a relatively large

amount of American butter has found dollar markets there. This situation may well prove temporary, but it has been a welcome aid to the butter market.

By law, the Department of Agriculture must give priority to the sale of its surplus commodities for dollars, to other disposal channels. That, of course, makes commonsense. For some time, now, the Commodity Credit Corporation has been able to sell some of its butter for good dollars overseas. It has even been able to raise the price of the butter sold.

The interesting result is that our Government, for the first time in the history of the butter surplus program, has been finding itself selling some of its butter at 40 to 45 cents a pound to foreign buyers. At the same time, it is now buying margarine at around 14 cents a pound. The saving is considerable—around 25 to 35 cents a pound.

Under these circumstances it would seem strange that the margarine program should be afflicted with an in-and-

out or "revolving door" policy on soybean oil when the reason is simply that soybeans have been figured, as of one certain day among many others, to be less than one-half of 1 percent higher than 90 percent of parity. I know Department of Agriculture officials are fully cognizant of this situation and I am sure they will handle it with good sense and judgment.

I am very pleased to see, at long last, the Government make margarine as well as butter available to the institutional and welfare claimants under its programs. Both are fine American foods. Margarine's nutritional values are fully recognized; many persons use vegetable margarine at their doctors' prescription.

Our farmers in the great Middle West can produce and supply enough soybean oil for the growing margarine requirement of our Nation. Soybean oil should be given every chance to compete fairly in the current Government programs without the intervention of short-term technical events.

#### Commodity Credit Corporation crop comparisons

Crop	CCC inventory value, Dec. 31, 1963 <sup>1</sup> (thousand dollars)	CCC inventory value compared to value of 1963 harvested crop <sup>2</sup> (percent)	Comparison of CCC soybean value to other crops stored (bean inventory value <sup>3</sup> )
Wheat.....	\$1,970,623	93.0	3127.0
Corn.....	1,046,096	23.0	1668.0
Cotton.....	987,674	39.0	1575.0
Sorghum (grain).....	649,313	114.0	1036.0
Barley.....	36,469	10.0	58.0
Oats.....	11,286	2.0	18.0
Flaxseed.....	9,493	11.0	15.0
Peanuts (shelled).....	9,447	4.0	15.0
Rice (rough).....	8,140	2.0	13.0
Rye.....	891	3.0	1.4
Soybeans.....	627	.03	1.0

<sup>1</sup> Source: USDA, ASCS "Report of Financial Condition and Operation," Dec. 31, 1963.

<sup>2</sup> Source: USDA Crop Reporting Board, Statistical Reporting Service, "Crop Values," 1962 and 1963.

<sup>3</sup> Value of cotton lint used for comparison.

<sup>4</sup> Value of peanuts, picked and threshed, used for comparison.

#### A decade of yield changes—U.S. harvested crops

Crop	Average yield (per acre)		Yield increase in decade (percent)	Crop	Average yield (per acre)		Yield increase in decade (percent)
	1950-54 <sup>1</sup>	1960-64 <sup>1</sup>			1950-54 <sup>1</sup>	1960-64 <sup>1</sup>	
Grain sorghum.....	19.4 bushels.....	42.4 bushels.....	119	Oats.....	33.9 bushels.....	43.8 bushels.....	29
Cotton.....	297 pounds.....	476 pounds.....	60	Potatoes.....	151 hundredweight.....	192 hundredweight.....	27
Corn.....	39.4 bushels.....	62.1 bushels.....	58	Hay.....	1.43 tons.....	1.75 tons.....	22
Rice.....	2,411 pounds.....	3,725 pounds.....	55	Barley.....	27.8 bushels.....	33.9 bushels.....	22
Peanuts.....	889 pounds.....	1,354 pounds.....	52	Soybeans.....	20.3 bushels.....	24 bushels.....	18
Wheat.....	17.3 bushels.....	25.4 bushels.....	47	Flaxseed.....	8.7 bushels.....	9.6 bushels.....	10
Tobacco.....	1,292 pounds.....	1,880 pounds.....	46	Sugarbeets.....	15.5 tons.....	17.1 tons.....	10

<sup>1</sup> Yields were computed for a 5-year average to minimize any extreme fluctuation which might occur in any single year.

#### Soybeans for beans—States and Nation

State	1948		1953		1958		1963	
	Acreage	Yield	Acreage	Yield	Acreage	Yield	Acreage	Yield
	1,000 acres	Bushels per acre	1,000 acres	Bushels per acre	1,000 acres	Bushels per acre	1,000 acres	Bushels per acre
Ohio.....	908	20.5	1,036	20.5	1,441	26.0	1,755	24.0
Indiana.....	1,459	22.0	1,755	21.0	2,269	27.0	2,708	27.5
Illinois.....	3,354	24.0	3,751	20.5	5,066	28.0	5,575	29.5
Michigan.....	65	17.5	110	19.0	265	23.0	330	21.0
Iowa.....	1,564	22.5	1,597	21.5	3,116	25.5	3,643	30.0
Missouri.....	795	20.0	1,824	14.0	2,132	26.0	2,677	24.5
Kansas.....	167	15.0	496	8.0	421	22.0	832	14.5
North Carolina.....	264	13.5	263	14.5	454	23.0	597	24.0
South Carolina.....	23	10.0	130	11.0	362	15.5	710	17.0
Kentucky.....	121	19.0	96	13.0	155	24.5	234	24.5
Tennessee.....	67	20.0	150	13.5	276	23.5	528	21.0
Arkansas.....	264	19.5	665	11.0	2,026	24.5	2,923	17.5
Louisiana.....	35	14.0	40	16.0	130	22.0	296	22.0
Oklahoma.....	8	12.0	50	10.0	45	22.5	150	13.0
Texas.....					53	26.0	84	31.0
New York.....	5	16.0	5	16.0	6	17.0	4	16.0
New Jersey.....	11	16.5	27	18.0	45	25.0	46	18.0
Pennsylvania.....	16	16.0	19	17.0	15	22.0	6	19.0
Wisconsin.....	15	13.0	56	14.5	120	14.5	109	17.5
Minnesota.....	844	18.5	1,351	20.5	3,082	17.5	2,377	24.5
North Dakota.....	7	13.0	23	13.5	265	14.0	160	19.0
South Dakota.....	31	18.0	87	18.0	259	11.5	149	24.0
Nebraska.....	23	23.0	105	18.5	206	30.0	326	28.5
Delaware.....	41	12.5	64	16.5	161	22.5	204	18.0
Maryland.....	33	15.5	95	19.0	193	22.0	246	18.5
Virginia.....	106	16.5	167	16.0	269	22.5	350	14.0
West Virginia.....	1	13.5						
Georgia.....	15	7.5	50	12.0	90	12.5	91	16.5
Alabama.....	55	20.0	92	20.5	132	22.5	156	21.0
Mississippi.....	133	18.0	250	12.0	800	23.0	1,317	19.0
Florida.....			12	18.0	46	25.0	45	25.0
United States.....	10,682	21.3	14,829	18.2	23,993	24.2	28,628	24.5

Source: Annual summary, 1949, 1953, 1959, 1963 Crop Reporting Board, USDA.



## A decade of yield changes—U.S. major harvested crops

Crop	Average yield, 1949-53 <sup>1</sup> (per acre)	Average yield, 1959-63 <sup>1</sup> (per acre)	Yield increase in decade (percent)	Crop	Average yield, 1949-53 <sup>1</sup> (per acre)	Average yield, 1959-63 <sup>1</sup> (per acre)	Yield increase in decade (percent)
Grain sorghum	19.9 bushels	40.9 bushels	106	Oats	33.4 bushels	46.6 bushels	27
Cotton	285 pounds	460 pounds	62	Hay	1.41 tons	1.74 tons	23
Corn	39.2 bushels	59.9 bushels	53	Sugarcane	21.3 tons	25.5 tons	20
Rice	2,349 pounds	3,536 pounds	51	Barley	26.9 bushels	31.6 bushels	17
Wheat	16.5 bushels	24.5 bushels	48	Soybeans	20.7 bushels	24.3 bushels	17
Tobacco	1,265 pounds	1,753 pounds	39	Sugarbeets	15.2 tons	17.4 tons	14
Peanuts	905 pounds	1,245 pounds	38	Flaxseed	8.9 bushels	9.3 bushels	4
Potatoes	147.4 hundredweight	191.4 hundredweight	30				

<sup>1</sup> Yields were computed for a 5-year average to minimize any extreme fluctuation which might occur in any single year.

## CCC crops inventory, Dec. 31, 1963

Crop	Inventory value, Dec. 31, 1963 <sup>1</sup> (thousand dollars)	Harvested crop value, <sup>2</sup> 1963 (thousand dollars)	Inventory value divided by crop value (percent)	Ratio of CCC inventory to soybean inventory (soybean in- ventory = 1)	Crop	Inventory value, Dec. 31, 1963 <sup>1</sup> (thousand dollars)	Harvested crop value, <sup>2</sup> 1963 (thousand dollars)	Inventory value divided by crop value (percent)	Ratio of CCC inventory to soybean inventory (soybean in- ventory = 1)
Wheat	\$1,970,623	\$2,119,852	93	3,127.0	Flaxseed	\$9,493	\$87,716	11	15.0
Corn	1,046,096	4,463,162	23	1,668.0	Peanuts (shelled)	9,447	4,220,786	4	15.0
Cotton	987,674	2,541,142	39	1,575.0	Rice (rough)	8,140	351,751	2	13.0
Sorghum (grain)	649,313	568,923	114	1,036.0	Rye	891	31,802	3	1.4
Barley	36,469	355,540	10	58.0	Soybeans	627	1,845,339	.03	1.0
Oats	11,286	621,971	2	18.0					

<sup>1</sup> Source: USDA, ASCS, "Report of Financial Condition and Operation," Dec. 31, 1963.<sup>2</sup> Source: USDA Crop Reporting Board, Statistical Reporting Service, "Crop Values," 1962 and 1963.<sup>3</sup> Cotton, lint.<sup>4</sup> Peanuts, picked and threshed.

## Scientist man-years employed per \$100,000,000 of crop value, 1961

Crops	Scientist man-years
Soybeans	2.46
Corn and grain sorghum	3.17
Wheat and rye	5.19
Cotton	5.22
Tobacco	5.57
Oats and buckwheat	6.82
Rice	6.93
Barley	11.66
Potatoes	15.43
Sugarbeets and sugarcane	28.49

## Crop production research investment, USDA, fiscal 1963

[Research investment per crop as percent of 1963 crop value]

Crop	Percent
Cotton	0.160
Peanuts	.095
Rice	.086
Wheat	.084
Tobacco	.082
Soybeans	.037
Corn <sup>1</sup>	.035

<sup>1</sup> States provide approximately 3 times as many scientists in corn production research as does the USDA. In barley, cotton, rice, soybeans, and wheat the ratio of State scientists to USDA scientists is approximately 1 to 1.

## A decade of change in farm crops—Harvested acres 1953-63

## UNITED STATES

[In thousands]

Crop	1953	1963	Change
Hay (all)	73,918.0	66,728.0	-7,190.0
Corn (grain)	71,175.0	60,654.0	-10,521.0
Wheat	67,608.0	45,256.0	-22,352.0
Oats	39,358.0	21,757.0	-17,601.0
Cotton	24,434.0	14,230.0	-10,204.0
Soybeans	14,366.0	28,628.0	+14,262.0
Barley	8,534.0	11,538.0	+3,004.0
Sorghum (grain)	6,137.0	13,488.0	+7,351.0
Flax	4,380.0	3,238.0	-1,142.0
Rice	2,135.0	1,769.0	-366.0
Tobacco	1,638.0	1,175.0	-463.0
Peanuts	1,538.0	1,410.0	-128.0
Potatoes	1,508.0	1,361.0	-147.0
Rye	1,382.0	1,611.0	+229.0
Sugarbeets	747.0	1,236.0	+489.0
Sweetpotatoes	349.0	201.0	-148.0
Sugarcane	346.0	586.0	+240.0

<sup>1</sup> Estimated.

Source: Annual summaries, 1953 and 1963, Crop Reporting Board, USDA.

## A decade of change in farm crops—Harvested acres 1953-63—Con.

## ALABAMA

[In thousands]

Crop	1953	1963	Change
Corn (grain)	1,969.0	1,254.0	-715.0
Cotton	1,620.0	832.0	-788.0
Hay (all)	705.0	533.0	-172.0
Peanuts	215.0	193.0	-22.0
Oats	195.0	50.0	-145.0
Soybeans	92.0	156.0	+64.0
Velvetbeans	50.0	10.0	-40.0
Potatoes	38.0	21.3	-16.7
Cowpeas (peas)	26.0	7.0	-19.0
Sorghum (grain)	25.0	12.0	-13.0
Wheat	19.0	39.0	+20.0
Sweetpotatoes	17.0	8.6	-8.4

## ARKANSAS

Cotton	2,070.0	1,230.0	-840.0
Hay (all)	946.0	666.0	-280.0
Soybeans	665.0	2,923.0	+2,258.0
Corn (grain)	620.0	176.0	-444.0
Rice	486.0	426.0	-60.0
Oats	209.0	57.0	-152.0
Tobacco	105.4	0	-105.4
Wheat	75.0	168.0	+93.0
Sorghum (grain)	22.0	6.0	-16.0
Cowpeas	17.0	3.0	-14.0
Barley	7.0	18.0	+11.0

## DELAWARE

Corn (grain)	162.0	146.0	-16.0
Hay (all)	71.0	43.0	-28.0
Soybeans	64.0	204.0	+140.0
Wheat	55.0	21.0	-34.0
Rye	13.0	11.0	-2.0
Barley	10.0	11.0	+1.0
Oats	8.0	4.0	-4.0
Potatoes	6.6	9.5	+2.9

A decade of change in farm crops—Harvested acres 1953-63—Con.

FLORIDA  
[In thousands]

Crop	1953	1963	Change
Corn (grain).....	359.0	353.0	-6.0
Hay (all).....	89.0	105.0	+16.0
Cotton.....	70.0	124.0	+54.0
Peanuts.....	55.0	48.0	-7.0
Velvetbeans.....	45.0	10.0	-35.0
Sugarcane.....	45.0	154.0	+109.0
Potatoes.....	42.0	35.1	-6.9
Oats.....	40.0	16.0	-24.0
Tobacco.....	24.5	17.9	-6.6
Sweetpotatoes.....	12.0	1.7	-10.3
Soybeans.....	12.0	45.0	+33.0
Wheat.....	0	35.0	+35.0

## GEORGIA

Corn (grain).....	2,391.0	1,737.0	-654.0
Cotton.....	1,375.0	639.0	-736.0
Hay (all).....	831.0	523.0	-308.0
Oats.....	659.0	125.0	-534.0
Peanuts.....	536.0	481.0	-55.0
Velvetbeans.....	201.0	43.0	-158.0
Wheat.....	160.0	66.0	-94.0
Tobacco.....	104.1	71.7	-32.4
Cowpeas (peas).....	58.0	21.0	-37.0
Soybeans.....	50.0	91.0	+41.0
Sweetpotatoes.....	26.0	13.0	-13.0
Rye.....	10.0	27.0	+17.0

## ILLINOIS

Corn (grain).....	8,962.0	8,849.0	-113.0
Soybeans.....	3,751.0	5,575.0	+1,824.0
Oats.....	3,110.0	1,413.0	-1,697.0
Hay (all).....	2,603.0	2,047.0	-556.0
Wheat.....	2,103.0	1,785.0	-318.0
Rye.....	40.0	56.0	+16.0
Popcorn.....	29.0	12.0	-17.0
Barley.....	22.0	33.0	+11.0
Cowpeas (peas).....	10.0	0	-10.0
Sorghum (grain).....	0	5.0	+5.0

## INDIANA

Corn (grain).....	4,562.0	4,642.0	+80.0
Soybeans.....	1,755.0	2,708.0	+953.0
Hay (all).....	1,740.0	1,320.0	-420.0
Wheat.....	1,648.0	1,330.0	-318.0
Oats.....	1,266.0	484.0	-782.0
Rye.....	60.0	54.0	-6.0
Popcorn.....	40.0	27.0	-13.0
Barley.....	22.0	32.0	+10.0
Potatoes.....	12.0	7.0	-5.0
Tobacco.....	9.0	8.0	-1.0
Sorghum (grain).....	2.0	10.0	+8.0

## IOWA

Corn (grain).....	10,647	10,754	+107
Oats.....	5,948	2,800	-3,148
Hay (all).....	3,858	3,327	-531
Soybeans.....	1,597	3,643	+2,046
Wheat.....	132	105	-27
Flax.....	25	13	-12
Popcorn.....	24	24	0

## KANSAS

Wheat.....	11,573.0	8,627.0	-2,946.0
Hay (all).....	2,182.0	2,259.0	+77.0
Sorghum (grain).....	1,915.0	3,700.0	+1,785.0
Corn (grain).....	1,774.0	1,350.0	-424.0
Oats.....	1,062.0	344.0	-718.0
Soybeans.....	496.0	832.0	+336.0
Barley.....	112.0	276.0	+164.0
Rye.....	38.0	130.0	+92.0

## KENTUCKY

Corn (grain).....	1,943.0	1,127.0	-816.0
Hay (all).....	1,748.0	1,632.0	-116.0
Tobacco.....	326.2	248.4	-77.8
Wheat.....	317.0	145.0	-172.0
Oats.....	127.0	44.0	-83.0
Soybeans.....	96.0	234.0	+138.0
Barley.....	85.0	47.0	-38.0
Popcorn.....	32.7	12.4	-20.3
Rye.....	29.0	11.0	-18.0
Potatoes.....	17.0	9.0	-8.0

A decade of change in farm crops—Harvested acres 1953-63—Con.

LOUISIANA  
[In thousands]

Crop	1953	1963	Change
Cotton.....	935.0	521.0	-414.0
Rice.....	593.0	508.0	-85.0
Corn (grain).....	497.0	238.0	-259.0
Hay (all).....	321.0	391.0	+70.0
Sugarcane.....	301.0	320.0	+19.0
Sweetpotatoes.....	96.0	58.0	-38.0
Oats.....	75.0	30.0	-45.0
Soybeans.....	40.0	296.0	+256.0
Cowpeas.....	13.0	4.0	-9.0
Potatoes.....	11.6	4.4	-7.2
Wheat.....	0	53.0	+53.0

## MARYLAND

Hay (all).....	475.0	378.0	-97.0
Corn (grain).....	404.0	400.0	-4.0
Wheat.....	257.0	138.0	-119.0
Soybeans.....	95.0	246.0	+151.0
Barley.....	73.0	87.0	+14.0
Oats.....	55.0	42.0	-13.0
Tobacco.....	45.0	34.5	-10.5
Rye.....	13.0	19.0	+6.0

## MICHIGAN

Hay (all).....	2,414.0	1,750.0	-664.0
Wheat.....	1,515.0	1,060.0	-455.0
Corn (grain).....	1,480.0	1,549.0	+69.0
Oats.....	1,380.0	724.0	-656.0
Beans (dry).....	372.0	573.0	+201.0
Soybeans.....	110.0	330.0	+220.0
Barley.....	68.0	45.0	-23.0
Potatoes.....	58.0	46.2	-11.8
Sugarbeets.....	47.7	77.0	+29.3
Rye.....	46.0	44.0	-2.0

## MINNESOTA

Oats.....	5,140.0	3,329.0	-1,811.0
Corn (grain).....	4,786.0	5,124.0	+338.0
Hay (all).....	3,719.0	3,531.0	-188.0
Soybeans.....	1,351.0	2,377.0	+1,026.0
Flax.....	1,090.0	592.0	-498.0
Barley.....	1,000.0	719.0	-281.0
Wheat.....	997.0	877.0	-120.0
Rye.....	125.0	79.0	-46.0
Potatoes.....	78.0	107.8	+29.8
Sugarbeets.....	63.8	118.0	+54.2

## MISSISSIPPI

Cotton.....	2,490.0	1,438.0	-1,052.0
Corn (grain).....	1,394.0	749.0	-645.0
Hay (all).....	730.0	672.0	-58.0
Oats.....	267.0	70.0	-197.0
Soybeans.....	250.0	1,317.0	+1,067.0
Rice.....	70.0	49.0	-21.0
Wheat.....	45.0	42.0	-3.0
Cowpeas (peas).....	25.0	9.0	-16.0
Sweetpotatoes.....	17.0	14.0	-3.0
Peanuts.....	6.0	4.0	-2.0

## MISSOURI

Corn (grain).....	3,624.0	3,340.0	-284.0
Hay (all).....	2,500.0	2,925.0	+425.0
Soybeans.....	1,824.0	2,677.0	+853.0
Wheat.....	1,578.0	1,191.0	-387.0
Oats.....	1,254.0	348.0	-906.0
Cotton.....	555.0	1,343.0	+788.0
Barley.....	96.0	71.0	-25.0
Sorghum (grain).....	34.0	209.0	+175.0

1 Estimated.

## NEBRASKA

Corn (grain).....	6,891.0	5,132.0	-1,759.0
Hay (all).....	5,711.0	4,925.0	-786.0
Wheat.....	3,856.0	2,953.0	-903.0
Oats.....	2,331.0	942.0	-1,389.0
Barley.....	191.0	115.0	-76.0
Sorghum (grain).....	182.0	1,879.0	+1,697.0
Rye.....	136.0	151.0	+15.0
Soybeans.....	105.0	326.0	+221.0
Beans (dry, edible).....	68.0	80.0	+12.0
Sugarbeets.....	52.3	82.8	+30.5
Potatoes.....	28.0	12.7	-15.3
Popcorn.....	17.5	8.0	-9.5



A decade of change in farm crops—Harvested acres 1953–63—Con.

A decade of change in farm crops—Harvested acres 1953–63—Con.

## NORTH CAROLINA

[In thousands]

Crop	1953	1963	Change
Corn (grain)	1,998.0	1,372.0	-626.0
Hay (all)	1,164.0	693.0	-471.0
Cotton	775.0	377.0	-398.0
Tobacco	685.4	471.5	-213.9
Oats	418.0	169.0	-249.0
Wheat	400.0	235.0	-165.0
Soybeans	263.0	597.0	+334.0
Peanuts	177.0	176.0	-1.0
Sorghum (grain)	59.0	47.0	-12.0
Potatoes	46.0	21.9	-24.1
Sweetpotatoes	45.0	21.0	-24.0
Barley	44.0	71.0	+27.0

## NORTH DAKOTA

Wheat	9,843.0	5,624.0	-4,219.0
Hay (all)	3,672.0	3,471.0	-201.0
Flax	2,367.0	1,855.0	-512.0
Barley	2,020.0	3,233.0	+1,213.0
Oats	1,823.0	1,852.0	+29.0
Corn (grain)	383.0	287.0	-96.0
Rye	197.0	399.0	+202.0
Potatoes	94.0	116.0	+22.0
Sugarbeets	34.7	60.5	+25.8
Soybeans	23.0	160.0	+137.0

## OHIO

Corn (grain)	3,358.0	2,903.0	-455.0
Hay (all)	2,597.0	1,907.0	-690.0
Wheat	2,384.0	1,402.0	-982.0
Oats	1,129.0	775.0	-354.0
Soybeans	1,036.0	1,755.0	+719.0
Potatoes	24.0	14.0	-10.0
Barley	20.0	29.0	+9.0
Rye	20.0	26.0	+6.0
Tobacco	17.0	14.0	-3.0
Popcorn	15.0	8.0	-7.0
Sugarbeets	14.0	29.0	+15.0

## OKLAHOMA

Wheat	5,898.0	3,591.0	-2,307.0
Hay (all)	1,467.0	1,485.0	+18.0
Cotton	1,010.0	575.0	-435.0
Sorghum (grain)	613.0	740.0	+127.0
Oats	539.0	217.0	-322.0
Corn (grain)	369.0	123.0	-246.0
Peanuts	120.0	116.0	-4.0
Broomcorn	97.0	42.0	-55.0
Rye	95.0	69.0	-26.0
Soybeans	50.0	150.0	+100.0
Barley	39.0	383.0	+344.0

## SOUTH CAROLINA

Cotton	1,175.0	537.0	-638.0
Corn (grain)	1,128.0	526.0	-602.0
Oats	658.0	175.0	-483.0
Hay (all)	443.0	332.0	-111.0
Wheat	202.0	70.0	-132.0
Soybeans	130.0	710.0	+580.0
Tobacco	122.0	80.0	-42.0
Cowpeas (peas)	62.0	14.0	-48.0
Sweetpotatoes	27.0	8.5	-18.5

\* Estimated.

## THE NEW POVERTY PROGRAM

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ALBERT. Mr. Speaker, if any of you ever doubted the need for the new poverty program last spring and summer when it was being considered by this body, the proof is in. During the last 6 weeks, nearly 150,000 young boys and

girls have written to the new poverty program. Every day now more than 6,000 new requests are received.

Here is explicit proof that this program is needed and that poor boys and girls are ready to respond.

The President's message on poverty, which was forwarded to the Congress today, should be studied carefully by every Member. For in that message and in the programs proposed lie the hopes of hundreds of thousands of teenage boys and girls who need more education and training, who have come to recognize that fact and who are looking for some way, some chance, to get ahead.

## SOUTH DAKOTA

[In thousands]

Crop	1953	1963	Change
Hay (all)	5,053.0	4,358.0	-695.0
Oats	3,696.0	2,590.0	-1,106.0
Corn (grain)	3,566.0	3,164.0	-402.0
Wheat (all)	3,503.0	2,013.0	-1,490.0
Flax	696.0	600.0	-96.0
Barley	471.0	356.0	-115.0
Rye	238.0	157.0	-81.0
Soybeans	87.0	149.0	+62.0
Sorghum (grain)	28.0	171.0	+143.0
Potatoes	12.5	116.0	+103.5
Sugarbeets	4.8	12.8	+8.0

## TENNESSEE

Corn (grain)	1,694.0	980.0	-714.0
Hay (all)	1,571.0	1,384.0	-187.0
Cotton	945.0	504.0	-441.0
Wheat	305.0	125.0	-180.0
Oats	268.0	61.0	-207.0
Soybeans	150.0	528.0	+378.0
Tobacco	114.2	84.1	-30.1
Barley	75.0	28.0	-47.0
Rye	28.0	9.0	-19.0

## TEXAS

Cotton	9,000.0	5,875.0	-3,125.0
Sorghum (grain)	2,836.0	5,772.0	+2,936.0
Wheat	2,710.0	2,321.0	-389.0
Corn (grain)	1,858.0	863.0	-995.0
Hay (all)	1,473.0	1,980.0	+507.0
Oats	1,450.0	667.0	-783.0
Rice	574.0	457.0	-117.0
Peanuts	299.0	270.0	-29.0
Flax	124.0	127.0	+3.0
Barley	90.0	180.0	+90.0
Cowpeas (peas)	61.0	49.0	-12.0
Broomcorn	49.0	20.0	-29.0
Rye	35.0	27.0	-8.0
Sweetpotatoes	30.0	14.0	-16.0
Potatoes	23.0	18.9	-4.1
Soybeans	0.0	34.0	+34.0

## VIRGINIA

Hay (all)	1,367.0	1,060.0	-307.0
Corn (grain)	775.0	454.0	-321.0
Wheat	339.0	179.0	-160.0
Soybeans	167.0	350.0	+183.0
Oats	156.0	58.0	-98.0
Tobacco	128.0	89.6	-38.4
Peanuts	107.0	104.0	-3.0
Barley	87.0	90.0	+3.0
Potatoes	36.0	29.4	-6.6
Cotton	30.0	14.0	-16.0
Sweetpotatoes	19.0	20.0	+1.0

## WISCONSIN

Hay (all)	3,927.0	4,009.0	+82.0
Oats	2,953.0	2,162.0	-791.0
Corn (grain)	1,558.0	1,502.0	-56.0
Barley	80.0	28.0	-52.0
Wheat	70.0	56.0	-14.0
Potatoes	61.0	53.0	-8.0
Soybeans	56.0	109.0	+53.0
Rye	46.0	30.0	-16.0

## EDUCATION IS KEY TO ELIMINATION OF POVERTY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. Boggs] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BOGGS. Mr. Speaker, it is a fact and it is a cliché that education is the key to the elimination of poverty in this great land. By repetition, the statement

of this fact has perhaps lost force but let me say it again in the hope of fresh impressions: Education is the key to the elimination of poverty.

The colleges and universities of America have responded splendidly to the call for help: More than 600 of them have applied for grants from the Office of Economic Opportunity in order to conduct work-study programs.

These programs, as you know, provide part-time jobs on and off the campus for students from needy families, who, without added income would have to leave school.

To date, applications from some 500 institutions of higher learning for work-study funds have been approved.

Thousands of students will now be able to complete their education and add their talents and energies to the human resources of the Nation which are indispensable to our continuing progress.

#### POVERTY FRUSTRATES YOUNG PEOPLE OF NATION AT SEVERAL LEVELS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Virginia [Mr. JENNINGS] may extend his remarks at this point in the Record and include extraneous matter.

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

There was no objection.

Mr. JENNINGS. Mr. Speaker, poverty not of their own making frustrates the young people of the Nation at several levels. The way to higher education is barred to many young men and women because they cannot afford even the time to pursue it. The college and university work-study program now holds out to them the hope of fulfillment. So far, grants have been awarded to nearly 500 institutions in 46 States, the District of Columbia and Puerto Rico. They will allow approximately 35,000 students from needy families to go to, or to stay in, college. We must see that the Great Society is not deprived of the contributions of these and other young men and women of high promise.

#### PRESIDENT'S FARSIGHTED MESSAGE ON THE PROBLEMS OF THE POVERTY STRICKEN

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. BYRNE] may extend his remarks at this point in the Record and include extraneous matter.

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

There was no objection.

Mr. BYRNE of Pennsylvania. Mr. Speaker, almost 1 year ago, when our Chief Executive sent to this body a humane and farsighted message on the problems of the poverty stricken of our nation there was much ridicule and doubt expressed by certain members of this body and the editorial writers of the press.

Many people doubted that poverty could be eliminated. "The poor ye shall always have with you," they quoted. Fifty years ago the prophets of gloom and doom told our grandfathers that smallpox, yellow fever, diphtheria, and polio would always be with us.

But in just a few months, Mr. Speaker, the President's war on poverty has won significant battles. Meaningful battles.

Everyone knows that the lack of education is the same to poverty as the lack of a new vaccine is to the most dreadful diseases. And with the weapons this Congress provided through the Economic Opportunity Act of 1964 we have provided the means for 100,000 young disadvantaged Americans to lift themselves by their own bootstraps and become worthwhile trained and educated American citizens. How is this being done? Through the Job Corps and the Neighborhood Youth Corps.

In a society that is becoming more and more complex, we have created an organization through which Americans can help Americans. A domestic person-to-person program. How is this being done? Americans of all ages and backgrounds are becoming VISTA volunteers to work in the slums, and on Indian reservations, and rural communities.

Mr. Speaker, the war on poverty can be won. It must be won. We should not cease fire in this war until every American, in our generation and in the generations of future Americans, has the opportunity to rise out of poverty and realize the dignity that is his God-given right.

#### YOUTH JOINS THE JOB CORPS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. NIX] may extend his remarks at this point in the Record and include extraneous matter.

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

There was no objection.

Mr. NIX. Mr. Speaker, America's young people who need help are responding at rates unheard of except in time of war. One hundred and twenty thousand who are out of school and out of work have applied since January 1, and applications are coming in at 6,000 per day to join the Job Corps. Thousands are signed up for the Neighborhood Youth Corps.

The Neighborhood Youth Corps is a program of far-reaching significance, both for young people on the brink of personal failure and for the neighborhoods they live in. Thirty-seven Neighborhood Youth Corps projects in 23 States are getting underway. They will make jobs available to 41,045 young men and women and will make a telling contribution to other antipoverty projects of the neighborhoods. In addition, approximately 50,000 young people will get jobs this summer that they need if they are to return to school in the fall. This effort is a basic and a hopeful one. It must be sustained and accelerated.

Skeptics who thought that the children of the poor will not help themselves when given a chance, underestimate the desire of everyone to be somebody and participate in the American dream. If we must build more facilities to take care of these youths who want to succeed, this will be the best investment we can make. Every youth we help escape from poverty will not only save taxpayers thousands of dollars of relief costs, but help these young Americans realize their full potential.

#### THE HUMAN SCRAP HEAP

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. MINISH] may extend his remarks at this point in the Record and include extraneous matter.

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

There was no objection.

Mr. MINISH. Mr. Speaker, the pages of our newspapers are literally full of reports that our young people are consigned inevitably to the human scrap heap; that they possess neither the will nor the way to contribute to this Nation's reservoir of human resources. There have been reports that the problem of crime in the streets is one that can be resolved only by sending more delinquents to jail.

But I call to your attention, and to the attention of this honorable body, the fact that in the 6 weeks since the first Neighborhood Youth Corps was established, under the administration of the U.S. Labor Department and funded by the Office of Economic Opportunity, more than 350 young people in the city of Newark, N.J., have enrolled in the program and have gone to work. They are employed in useful, productive occupations—as sign painters, as nurses' aids, as motor vehicle repairmen, as gardeners and in a host of other areas of employment.

I would further point out to you, Mr. Speaker, that nearly 200 of those young persons enrolled in the Newark program have returned to school—this time to night classes, while working 20 to 30 hours each week during the daytime hours.

This is but a small sample of what we expect to take place at nearly 40 such centers in urban areas all over the United States.

#### THE WAR ON POVERTY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. PATTEN] may extend his remarks at this point in the Record and include extraneous matter.

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

There was no objection.

Mr. PATTEN. Mr. Speaker, I would suggest to you that the war on poverty has demonstrated beyond even the slightest doubt, that the capacity of Americans for human compassion is limitless. I call to your attention a recent



letter written to the President by a man in South Lyon, Mich. He owns a modest hotel in that small town and his means are similarly modest.

But he wrote, in part:

I have two old gentlemen staying with me for the last couple of years. Their income is \$80 per month. I had been charging them \$30 a month, which didn't leave them much to live on. But your war on poverty program sounded so good, I decided to start my own. So I quit charging them rent, and they are happy about it, and it makes me feel good, too.

The hotelman's letter continued:

So, Mr. President, just keep on doing a terrifically good job that you are and if I can be of any service to you, it would be a pleasure.

This, then, is the voice of human compassion which is alive and vibrant in our land. This is the response to the President's war on poverty.

It is being repeated and amplified like a crescendo everywhere.

#### THE JOB CORPS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. GREEN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. GREEN of Pennsylvania. Mr. Speaker, the tremendous and swelling response from young people throughout the Nation who are out of school and out of work, and who want to forge new opportunities for themselves by joining the Job Corps, points up both the need of the present and the hope of the future. As of this morning, 121,684 young men and women from every State in the Union, the District of Columbia, and Puerto Rico have sent in opportunity post cards telling of their interest in volunteering. They are knocking at the door. It must be opened.

#### THE COMMUNITY ACTION PROGRAM OF THE WAR ON POVERTY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. GILLIGAN] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. GILLIGAN. Mr. Speaker, the latest statistics released to me on the community action program of the war on poverty paint an impressive picture.

In my opinion, the response to this program in the few months of its operation has been unprecedented in the history of voluntary community support of a national program in times of relative peace.

Within 100 days following passage of the Economic Opportunity Act of 1964, more than 1,000 community action groups were activated by local initiative. And I am told many others are being formed. Involved in these are tens of thousands of prominent industrial, busi-

ness, and civic leaders who are giving freely of their time and resources to make the war on poverty a hometown fight.

In this period, 152 separate war on poverty projects have been put into operation in virtually every State. These projects are already touching the lives of millions in over 90 percent of cities of over 50,000 population, 165 rural areas, and 3 Indian reservations. Some 400 additional programs are being processed and more applications are being received every day.

Preschool programs, which strike at the roots of the poverty, dropout, and juvenile delinquency problems, are becoming operational in Detroit, Pittsburgh, New Haven, Devils Lake, N. Dak., Washington County, Va., Los Angeles, Milwaukee, Corpus Christi, Chicago, and Cincinnati. Some 9,000 deprived children between the ages of 3 and 5 are already benefiting from these programs.

The poor themselves are becoming involved and interested in their local anti-poverty programs and organizations. Every community action group includes representatives of the poor themselves. There are now 3,000 nonprofessional aids—the poor themselves—working directly in local programs. By summer, it is estimated there will be 15,000 poor employed in the self-help programs.

Compared to the need this program must fulfill if it is to be successful, this is just the beginning. But it is a most impressive beginning, nevertheless.

#### PROBLEMS OF DESTITUTE ADULTS RECEIVING ATTENTION IN THE WAR ON POVERTY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. SWEENEY] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. SWEENEY. Mr. Speaker, the special problems of destitute adults are receiving special attention in the war on poverty. Emphasis is being placed on the unemployed with dependent children. Twenty-six work-experience projects in 13 States, Puerto Rico, and the Virgin Islands have been, or are in the process of being, funded. The 25,000 unemployed who will participate have an estimated 78,000 dependents. Consequently, about 103,500 people will benefit. These projects are closely tied in with adult basic education programs, which strike at the problems of illiteracy. These programs make a direct offer of opportunity in the present. Their indirect benefits in the future are incalculable, but vital.

#### LEGISLATION TO AMEND THE MENTAL RETARDATION FACILITIES AND COMMUNITY MENTAL HEALTH CENTERS CONSTRUCTION ACT OF 1963

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman

from Rhode Island [Mr. FOGARTY] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. FOGARTY. Mr. Speaker, I rise to introduce a bill which will amend the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 to authorize assistance in meeting the initial cost of staffing the community mental health centers—an approach to meet the needs of a long neglected and national problem.

As you know, the act already provides for grants to the States for construction of comprehensive community mental health centers. It also authorizes grants to facilitate the preparation of community plans for these facilities. It does not, however, provide funds for the Federal support of the initial staffing of these centers with competently trained scientific and technical personnel. A provision to this effect, which I strongly supported, was to have been part of the act, but was deleted in the final version.

One of the foremost problems now facing the communities which have begun planning and constructing mental health centers is how they are going to operate and maintain these centers once construction is completed.

It has become increasingly apparent that the financial burden of assuming new responsibilities for the care of the mentally ill will be more than many communities can shoulder. There is the already heavy burden of the State mental hospital system and many demands in other areas. Even in communities that can assume new financial responsibilities there will be delays in putting mental health centers into operation because of the difficulty of raising funds to staff them.

We cannot afford any delays in remedying this situation. If we aid planning and construction while withholding funds with which the centers could sustain themselves during the first difficult years, we will starve the child after teaching it to walk.

This is then, yet another case which points to the necessity of looking at the whole problem and formulating a complete, rather than partial solution. Of what value are buildings, however well planned and constructed, without sufficient, expert staff to carry out their purpose and function?

We must provide financial support to initially staff these community mental health centers. A bill with provisions for this assistance has already been introduced to the Senate by Mr. HILL, our distinguished colleague from Alabama. The bill which I place before you today, in identical provisions, would authorize the Secretary of Health, Education, and Welfare to make grants to meet a portion of the costs of compensation of professional and technical personnel for the initial operation of new community mental health centers or of new services in community mental health centers. These grants are to be awarded over a period of 4 years and 3 months and are

to be paid on a formula basis in which sums regularly decrease over the period of the grant.

When the late President Kennedy suggested to the 88th Congress what should be done to meet the problems of mental illness and mental retardation, he proposed a three-part program. Two legs of that tripod were authorized by the 88th Congress—grants to the States for construction of community mental health centers, and grants for preliminary planning of these centers. We cannot let the whole program fall because of the failure to provide the third leg of this tripod—short term project grants for initial staffing. The late President knew this—and included it in his request to the Congress.

It is my conviction that the great momentum of the community mental health centers movement must not be lost because of the Federal Government's failure to provide adequate support. It is imperative that we meet this need swiftly and boldly—in a mood and manner to match the version of our martyred President.

#### UNITED NATIONS ASSESSMENTS IN ARREARS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. STAGGERS] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. STAGGERS. Mr. Speaker, 13 nations out of more than a hundred members of the United Nations are holding up action in that body by refusing to pay their legal assessments. The majority against them is 7 to 1. In any legislative body, seldom can so few subvert the purposes of so many.

Membership in the United Nations was sought and accepted on a voluntary basis. The rules of the organization are clear and unequivocal. Ambassador Stevenson has put forward the only interpretation that can be placed on them. The defaulting nations must pay up or accept the responsibility for wrecking the league. The International Court agrees that the assessments are legal and binding.

It may be remembered that the Confederation of American States during and after the Revolutionary War encountered exactly the same problem. It could command, but it could not compel obedience. Our forefathers had the nerve and the wisdom to fashion a system that could rule as well as advise. In doing so, they averted a real crisis.

The overdue assessments amount to an insignificant sum, \$136 million. No one claims inability to pay. The excuse offered by the defaulting nations is only that they did not agree with the purposes for which the assessments were being spent. No organization can operate on such a principle. The fact that the United Nations is in financial straits because of nonpayment is beside the point. The real question is whether or not the

United Nations has sufficient stability to enforce its own regulations.

The peacekeeping functions of the United Nations are important to the whole world in this age of turmoil. We can permit a few nations to break up the organization and let loose chaos internationally, or we can take a firm stand in favor of a procedure that has already proved its effectiveness. It is difficult to believe that any recalcitrant nation would carry its opposition to the point of withdrawal from the league. Every one of them needs its services as much as the compliant nations need them. They will not get out from under a shield which covers most of the civilized world.

The talk of some form of compromise does not meet the requirements of the situation. A compromise is an expression of weakness. Mr. Stevenson has stated the position of the United States in his usual masterful manner. The Congress should support him with all the vigor at its command. A determined firmness on the part of the makers of the Constitution of the United States carried the issue in 1789. The situation is in need of equal firmness today.

#### PROPOSED BUDGET OF THE DEPARTMENT OF THE INTERIOR

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. SWEENEY] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. SWEENEY. Mr. Speaker, I rise to draw the attention of the House to the proposed budget of the Department of the Interior for the ensuing year, which indicates that the Department intends to expend approximately \$837 million.

Mr. Speaker, the amount of this request includes Interior Department supervision of Geological Survey, Bureau of Mines, Office of Coal Reserve, Minerals Exploration, Oil and Gas, Bureau of Commercial Fisheries, Bureau of Sport Fisheries and Wildlife, Office of Saline Water, Office of Water Resources Research, National Park Service, Bureau of Land Management, Bureau of Indian Affairs, and Bureau of Outdoor Recreation.

It is proposed that of the \$837 million, the Department of Interior spend some \$689 million in the United States for the above programs.

As Congressman at Large for the State of Ohio, it is of great interest to me to note that the Department of the Interior has reserved but 0.5 percent of its forthcoming budget for programs within the State of Ohio.

Mr. Speaker, I wish to draw the attention of this House to the fact that Ohio ranks sixth insofar as the dollar amount of revenue received by the Federal Government in taxes. The Commissioner of Internal Revenue Service reported that for the fiscal year ending June 30, 1965, Ohio contributed \$6,693,373,000 of the operating revenue of the Government, ranking behind Pennsylvania, Illinois, Michigan, California, and New York.

Mr. Speaker, Ohio is in desperate need of Federal assistance insofar as the development of recreational areas and parks. Ohio is unable, alone, to arrest the destruction of its water resources and to cope with the destruction of commercial fisheries in the State and the attendant destruction of sport fishing and wildlife activities. I am amazed that Department of Interior can be so unconcerned as to Ohio's needs. In the forthcoming proposed budget, Ohio has been relegated to the 34th position on expenditures and shall receive but \$3,698,500.

While Ohio's tax contributions practically parallel those of Pennsylvania, Pennsylvania will receive \$23 million under the Interior Department proposal.

Mr. Speaker, the inadequacies of the Interior Department program insofar as my State is concerned is quite apparent and it is equally apparent to me that there has been an historical discrimination against the interests of Ohio in the Interior Department allocations each year.

In my judgment, and with all respect for the fine work carried out by the Department of the Interior, this Department's activities have been historically directed toward the western States of our Union. This Department should not be a plaything for western legislators, and, in my humble judgment, the time has come for us to change the tune from "Home on the Range" to "Beautiful Ohio."

#### A BILL PROVIDING ADDITIONAL FEDERAL INCOME TAX EXEMPTIONS FOR THE PHYSICALLY AND MENTALLY HANDICAPPED AND FOR THOSE SUPPORTING A DEPENDENT WHO IS BLIND OR PHYSICALLY OR MENTALLY INCAPABLE OF CARING FOR HIMSELF

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ASHLEY. Mr. Speaker, I would like at this time to make a few comments in support of the bill I have introduced which will amend the Internal Revenue Code of 1954 granting an additional \$600 Federal income tax exemption to a taxpayer or his spouse who is physically or mentally incapable of caring for himself plus an additional exemption for the person who is supporting such a dependent who is blind or physically or mentally handicapped.

Our present tax laws already allow an additional \$600 personal exemption for taxpayers—or their wives or husbands if a joint return is filed—suffering a certain specified degree of blindness. However, this exemption does not apply to those supporting blind dependents, as for example, a child.

My bill would simply grant this additional \$600 exemption to those suffering the most severe disability—those who



are neither physically nor mentally able to care for themselves. It would further provide this same relief to those taxpayers who support the blind or other physically or mentally handicapped individuals.

At this time it is difficult to determine precisely just how many individuals would stand to benefit from enactment of my bill. It is known that 110,159 individuals claimed exemption for blindness under existing law in filing their income tax returns for 1962. My bill would add to this number each blind dependent who must rely on others for their financial support.

Similarly, it is difficult to determine how many individuals are physically or mentally handicapped to such an extent that they are incapable of caring for themselves. However, the U.S. Public Health Service in a random survey based upon household interviews conducted during the period from July 1959 through June 1961 estimated that 3,974,000 or nearly 4 million persons were physically or mentally limited to such a degree that they were unable to work, keep house, or go to school.

I am sponsoring this legislation primarily for humanitarian reasons. It will give some measure of relief to persons in these unfortunate circumstances, who through no fault of their own, are unable to live a normal life and take care of themselves. It will also grant relief to those struggling under the heavy financial burden of supporting these severely handicapped individuals.

Mr. Speaker, we cannot in all good conscience ignore the financial plight which faces so many handicapped Americans today. We must delay no longer in taking action providing additional assistance to these needy and worthy individuals who are struggling against many odds to make ends meet.

Few of us who are in more fortunate circumstances fully realize the hardships which face these people. While their earning power is cut off, the expenses of these handicapped individuals are greatly increased because of their afflictions.

Let me just briefly mention some of the additional costs which these people must bear. Many of them must have constant medical treatment and therapy. And this expense must be continued in order to rehabilitate them, if at all possible, so that they may be able to lead more normal and useful lives. Unless someone is at home to care for them, an attendant or practical nurse must be engaged to cook, feed, and care for them. Equipment such as wheelchairs, crutches, braces, artificial limbs, and other prosthetic devices must be purchased. These wear out from time to time and have to be repaired or replaced. It is frequently necessary to rent more expensive apartments either on the ground floor or with elevator service for those unable to climb stairs. Also, special alterations must be made in houses, providing ramps, widening doors, and so forth, for wheelchair patients. Drugs and medicines cause a further continuing drain upon one's limited funds. It is frequently necessary to engage taxicabs for the many

visits which must be made to the doctor or to the physical therapist. Finally, wear and tear on clothing from constant friction caused by braces, crutches, and prosthetic devices is considerable and requires extra tailoring or early replacement.

Enactment of my bill will enable these handicapped persons or those supporting them to better meet their rising expenses. Present exemptions are simply not sufficient to provide them with a minimum decent standard of living. These tax savings will make it possible for them to enjoy a little more financial security and possibly a few more of the comforts of life.

To meet the compelling need of these individuals, therefore, I am requesting that prompt action be taken enacting my bill which will grant handicapped individuals and those supporting them this additional income tax exemption.

#### CONGRESSIONAL ACTIONS DEALING WITH CONFLICT-OF-INTEREST PROBLEMS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. OTTINGER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. OTTINGER. Mr. Speaker, I have today filed with the Clerk of the House a statement of the financial holdings of myself and my wife as of December 31, 1964.

I have taken this action because I feel there is important need that public confidence be affirmed that Members of Congress are not using their public office for private gain. Also, difficult problems of conflict of interest frequently arise as to voting by a Member of Congress on matters in which he has a personal interest. I feel that the best resolution of these problems lies in full disclosure of the Member's personal involvements and that there should be legislation requiring such disclosure. I plan to introduce a bill covering this situation, but pending passage of appropriate legislation, I am making this voluntary disclosure, as many of my colleagues have done in the past.

There are related problems of more direct potential conflict arising out of Members' committee work in which we deal directly with sponsorship and drafting legislation. In these areas more stringent measures are necessary which I shall also cover in future legislation. In the meantime, I have attempted to dispose of any holdings that would present a conflict of interest in connection with my committee work on the Banking and Currency Committee.

To avoid any possible conflict of interest arising out of my association in the practice of law with William J. Kridel, 100 East 42d Street, New York, N.Y., I have dissolved that association and am no longer engaging in the private practice of law.

With respect to any situations not covered by the above actions or in which there may arise in the future a vote or official action which would involve any direct personal interest, I shall, of course, either disqualify myself from voting or acting or dispose of any holdings which may have generated such a conflict.

Mr. Speaker, we apply a very strict standard of conduct to the executive branch to require its members to avoid possible conflicts of interest. In many cases, these regulations are, in my opinion too harsh, requiring immense personal sacrifice to perform public service. Too frequently, the most capable private executives are lost to Government service by reason of the severity of these restrictions and I think disclosure requirements might better be substituted. I shall work toward this end. But whatever restrictions we apply to the executive we should most certainly apply to ourselves, for we, even more than they, are responsible for the public trust.

#### CAMPAIGN FINANCE ACT OF 1965

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. OTTINGER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. OTTINGER. Mr. Speaker, I have today introduced what I hope will become the Campaign Finance Act of 1965—a bill first proposed by our late President John F. Kennedy—to establish a system of improved reporting and supervision of the financing of political campaigns, coupled with a system of incentives for broad participation in the financing of such campaigns.

The bill embodies the legislative recommendations of the Commission on Campaign Costs appointed by President Kennedy in October 1961. While those recommendations were limited to campaigns for President and Vice President, the Commission noted in its report that "the measures we proposed would have a desirable effect on all political fundraising." Therefore, the provisions of the bill I have introduced today apply to Senators and Representatives as well.

There can be no denying that candidates and parties must have the financial means to bring their views to the public. At the same time, the mounting costs of reaching the electorate put great financial burdens on candidates and the parties they represent.

These burdens must not force candidates for public office to depend either on large contributions from those with special interests, or in the alternative, on personal or family fortunes. Nor should these substantial costs bar qualified candidates from seeking public office simply because the aforementioned sources are not available to them, either by choice or circumstance.

It is essential that we broaden the base of financial support for candidates and parties. The tax incentive program in my bill is designed to encourage political

giving just as educational and charitable contributions have been encouraged for years through tax benefits.

I propose a system of tax incentives for political contributions which offers two alternatives to the taxpayer: First, a tax credit against Federal income tax for 50 percent of contributions up to a maximum of \$10 in credits a year; and, second, a tax deduction for political contributions for the full amount of the contribution up to a maximum of \$1,000 per tax return per year.

The contributions eligible for tax benefits would include those made to any National, State, or local committee, association, or organization which accepts contributions or makes expenditures for the purpose of influencing the election of a bona fide candidate or candidates.

In addition, my bill would authorize the Postmaster General to provide each candidate nominated by a qualified political party one nonredeemable postage stamp to cover first-class postage for each registered voter eligible to cast a vote for that candidate's election.

A qualified political party, under the terms of this section, means one which in the last preceding presidential election presented candidates or electors for such offices on the official election ballot of 10 or more States.

Mr. Speaker, my bill also is based on President Kennedy's well-founded assertion that "full and effective disclosure is the best way to control both excessive contributions and unlimited expenditures."

To that end, my bill requires candidates, committees, and individuals to file with the Comptroller General periodic reports of contributions and expenditures. The majority of such reports would be made at those stages where they will best protect the public against abuses—during the actual period of political campaigning. Reports would be made on January 1 of each year, between the 10th and 20th days of March, June, and September, 15 days and 5 days before election day, and 30 days after election day.

Finally, my bill requires that all reports be submitted to a Registry of Election Finance to be established within the General Accounting Office. The Registry would have responsibility to receive, examine, tabulate, summarize, publicize, and preserve the reported data. This proposal, too, was recommended by the President's Commission on Campaign Costs.

The need for reform of the laws on campaign financing has not lessened since the report of President Kennedy's Commission. What our late President said in transmitting the Commission's recommendations to Congress on May 29, 1962, still applies today:

The problems of political finance are not limited to any political party, but are common to all, and all will benefit from action on the legislation herewith transmitted. Enactment of these proposals will go a long way to improve the political climate.

Mr. Speaker, I hope the bill I have introduced today will have broad bipartisan support that will assure expeditious action by the Congress.

#### AID FOR NEW HAVEN RAILROAD

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. GIAIMO] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. GIAIMO. Mr. Speaker, today I have introduced legislation which is designed to provide a constructive program to aid the New Haven Railroad. This bill is identical to that introduced by Senator PELL and others.

Briefly, my bill will provide the mechanism for the beginning of a badly needed effort to save transportation in the New England region. It would—

First, encourage the preservation and development of a modern and efficient passenger rail transportation service in the northeastern seaboard area by granting the consent and approval to Congress to the States of Massachusetts, Rhode Island, Connecticut, and New York to negotiate and enter into a compact to create a Northeastern Rail Authority; and

Second, provide Federal guarantees for certain loans and other credits to such an authority.

Mr. Speaker, we are no longer in a bargaining situation regarding the New Haven Railroad. We cannot bargain—we cannot delay—we cannot mediate. Our railroad is the principal transportation system in our area. The problems facing this railroad are well known to all of us. The solutions are less obvious.

I believe that this bill will provide the beginning of a renovation of New England's transportation network. Immediate cash subsidies are also obviously needed, but long range planning will be the real savior of transportation in southern New England.

Hearings on this and other measures affecting the New Haven will begin in the other body on March 2. I would hope that the appropriate House committee will also recognize the seriousness of this situation and move to expedite such legislation.

#### BANKING FOR PROGRESS IN LATIN AMERICA

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. MULTER. Mr. Speaker, we are considering today a bill, H.R. 45, which would authorize the United States to participate in an increase in the resources of the Fund for Special Operations of the Inter-American Development Bank.

My good friend and our former colleague, the Honorable Joseph W. Barr, Chairman of the Federal Deposit Insurance Corporation, delivered an address on October 26, 1964, before the State

bank division of the American Banker's Association at its 90th annual convention.

Chairman Barr's remarks on "Banking for Progress in Latin America" are particularly appropriate to our debate here today and I commend his address to the attention of our colleagues:

#### BANKING FOR PROGRESS IN LATIN AMERICA

(Address by Joseph W. Barr, Chairman, before the State bank division, American Bankers Association, at its 90th annual convention, Miami Beach, Fla., October 26, 1964)

In these times, no word is used more often in public discussions than the word "peace." And that is as it should be, for the most important work of the Federal Government these days is keeping the peace.

First of all, of course, we aim to keep the peace. We maintain in the United States an arsenal of military power greater by far than any nation today or in the past has ever maintained.

Then we parley to keep the peace. We parley with the Russians on such subjects as disarmament—some of the most lengthy talks ever undertaken among nations, but absolutely essential to maintain the balance of hope in the proposition that the day will come when peace can be maintained without massive arsenals of destructive weapons, and without the proliferation of those arsenals in more and more nations.

We parley with our allies and in the United Nations, in a never ending search for ways and means to build a structure of law and order with which to contain forces making for war. We parley about everything from Cyprus and the Congo to South Vietnam and Indonesia because we all know that every shot between nations today is a shot heard 'round the world.

And we work for peace in a hundred different ways through helping others to help themselves escape the worst trials of poverty, for we know that both at home and abroad poverty breeds strife.

This work can be intensely personal and direct, like the work the men and women of the Peace Corps are doing in 46 countries overseas today. This work can involve historic partnerships between the United States and the governments of key developing nations such as we have in the Alliance for Progress and in our foreign aid programs in India and Pakistan—partnerships which serve to give substance to the promise that there is an alternative to a life of poverty and strife for the world's one billion undernourished, underemployed, and undereducated.

It is not surprising that the word "peace" should dominate the public discussions in the United States in these times. For the business of maintaining peace is an exacting, testing, exhausting business which requires of government leaders today a clarity of mind, a firmness of purpose and a breadth of understanding and experience so far beyond the ordinary as to make the problems of peace in past decades seem like mere footnotes in comparison.

I want to say a few words today about a very unusual banking institution which you might say has been quietly and effectively banking for peace for the last 17 years. I refer to the World Bank and its sister agencies, the International Development Association and the International Finance Corporation. The World Bank family has proved itself one of the most effective working instruments for maintaining the peace; its task has been to create opportunities for people to earn a way out of their poverty.

When the World Bank opened its doors less than a year after World War II, it was very much an experiment in international cooperation and one which few bankers thought



would prove to be successful. It was called the International Bank for Reconstruction and Development and it quickly became very obvious that the task of postwar reconstruction was far beyond its means. It took a Marshall Plan to help restore Western Europe and Japan.

But the idea of the Bank as a development agency, mobilizing private funds for investment in important development projects in the countries of Asia, Africa, and Latin America, has proven to be one of the great ideas of the postwar period. And American bankers can take pride in this achievement. For the World Bank has been captained from the start by a series of distinguished American bankers—Eugene Meyer, John J. McCloy, Eugene Black, and now George Woods. And the American financial community has provided the great bulk of the Bank's funds.

The Bank started to make loans in Latin America in 1948; in India in 1949; in the Middle East and Africa in 1950. Its annual lending was only \$300 million in 1951. But by 1958 it had reached \$700 million, and this year, supplemented by the funds of the IDA, it topped \$1 billion for the first time. Hundreds of projects in 80 different countries have received support from the Bank in the last 15 years.

It is a rare thing to be able to say of an international organization today that it has proved a financial success, an economic success, and a diplomatic success. The World Bank, whose 102 member governments make it almost as international as the United Nations itself, is all of these things.

One test of the financial success of the Bank is the fact that its bonds have been floated successfully in the United States, Canada, the United Kingdom, Belgium, the Netherlands, West Germany, Switzerland, Italy, and Austria. World Bank bonds are held by private investors in virtually every non-Communist country in the world today. The Bank's outstanding funded debt—about 40 percent of it held in the United States and 60 percent outside the United States—amounts to \$2.5 billion.

The Bank's success in the private capital markets of the world, more than anything else, made possible in 1960 the establishment of the International Development Association, through which some \$1.5 billion in contributions from member governments has already been mobilized. Creation of IDA stemmed from a recognition by the Eisenhower administration in the United States and the other member countries that many of the developing nations of the world had contracted all the debt that they could possibly service. If these countries were to continue the progress they had started, they needed a source of funds repayable over very long periods, with an initial grace period of up to 10 years, and very low interest rates. The International Development Association was designed to meet this need. The financial effect of IDA, of course, has been to reduce the Bank's effective interest rate in its borrowing countries by "mixing" with regular Bank loans IDA "credits" which normally run for 50 years with a nominal service charge in lieu of interest. I will presently have something further to say about the importance of IDA in the World Bank family. But, financially speaking, IDA has permitted the Bank to maintain its high volume of lending, while at the same time giving added protection to the whole international credit structure.

The World Bank also makes a profit. Net earnings, in fact, have been running at a rate of \$100 million a year recently, resulting in accumulated reserves in excess of \$850 million. So strong is the Bank's financial position that this September in Tokyo the Governors of the Bank voted to transfer \$50 million out of last year's net income to IDA—a kind of dividend, if you will, which the

Governors voted to plow back into the work of the World Bank through IDA.

I stress the financial success of the Bank because you are bankers. But to me the Bank's success in what has come to be called development diplomacy is much more important and it is what has made possible its financial success. Through its lending policies the Bank has stimulated far-reaching internal reforms and innovations in borrowing countries.

This is an important and delicate matter. You all are familiar with the confidential relationship which exists between any banker and his client. Consider how very delicate that relationship is when a banker's clients are 80 sovereign governments or agents thereof.

However, I want to emphasize that the Bank's business is very much down to earth—very much like the kind of business with which you are familiar. The Bank lends money for specific projects, largely in the fields of power, transportation, and communication, but also in industry and to a smaller extent in agriculture and education. The project is the important thing. Of the \$8 billion which the Bank has loaned, every penny has gone to buy materials, equipment, or services for a specific project of importance to the development of a borrowing country. Economic and social change may develop in a country in which the Bank is financing projects. But these changes flow almost naturally from an improved economic climate and the Bank's lending policies rather than from direction by the Bank itself. Here again, I think this is a pattern that all of you can recognize and understand.

Typically, Bank projects are big projects—big at least in terms of the borrower's economy. The Bank has financed the installation of more electric power in Latin America since 1950 than existed in Latin America prior to 1950. It has financed about 7,000 miles of new railroads and the rehabilitation of perhaps twice that amount. But the important thing is that each Bank project is approved only after a great many conditions are met. These "conditions" might entail new methods of internal financial controls in public utility operations, including new rate structures; they might include the reorganization of a highway maintenance department; they might include the establishment of a public authority, such as a port authority; they might include a contract to hire expert management from abroad for a number of years. However, these conditions have not been laid down by the Bank in an attempt to achieve social reform; they have been imposed to make certain that the borrowing nation will have a reasonable opportunity to pay off its loan.

What the Bank calls its project approach is one of the successful techniques in development diplomacy so far perfected. But the Bank has other diplomatic strings to its bow. For example, through the good offices of the Bank, India and Pakistan signed an historic agreement in 1960 on a plan to divide the waters of the Indus Basin where 40 million people earn a living only insofar as regular supplies of irrigation water can be brought to their land. In 1958 the Bank was able to effect a settlement of the claims and counterclaims arising out of the nationalization of the Suez Canal. Several important cases of long-defaulted bond issues have been settled thanks to the intervention of the Bank as a mediator. At Tokyo this September the Bank's Governors voted to send to governments a plan for a new arbitration service, to be available when foreign investors and governments together wish to ask the Bank's aid in settling outstanding disputes.

Perhaps the most interesting and complicated diplomatic task the Bank has undertaken has been to take the lead in forming

from among all the major countries and institutions giving foreign aid a series of "aid consortia." Here the problems and programs of one country—India, or Pakistan, or Colombia—are discussed regularly and in common. These "consortia" are very informal; the idea is to have a full and frank discussion both among the aid donors and between them and the borrowing government. This way it has been possible to discuss privately the basic policies of the borrowing government and to express freely and frankly any apprehensions which may exist among the aid-giving nations.

There is, of course, a very definite limit beyond which a sovereign government, or even an international organization, can go in criticizing the domestic policies of another sovereign government. Too much open criticism leads to a breakdown in communications—an end to the possibility of cooperation; too little criticism may mean undermining the confidence of investors. The World Bank's "aid consortia" provide an imaginative new way to establish an effective, confidential banker's relationship with the governments of some of the less developed countries.

The "aid consortia" have also provided useful opportunities for the United States and the Bank together to urge our European friends to shoulder a more equitable share of the foreign aid burden. Compared to 5 years ago, the European share of aid to such countries as India and Pakistan is now far more reasonable. However, I feel that most people in Washington charged with responsibility for international affairs believe that Europe can and should do more.

A particular problem which Secretary Dillon has been hammering at for over 4 years is the problem of terms of aid. Some European governments still offer much of their credit to the developing countries on terms which may be suitable for normal commerce among industrialized countries but which are quite unsuitable for countries that are trying to finance large development programs with a precariously small supply of foreign exchange. Three-year credit, 5-year credit doesn't make sense if the equipment being financed is a railroad locomotive or a turbo-generator for a power dam. This is a bad way for governments to finance development because it piles up heavy debt burdens in the short run, before the equipment financed can possibly be expected to bring in much of a return.

The United States and the World Bank have both taken several steps in recent years to lengthen the maturity of their loans, to extend grace periods and, particularly, to provide capital at very low interest rates—the United States through the foreign aid program and the Bank through IDA. While some progress has been made in this direction in Europe and Japan, there is still a long way to go. Secretary Dillon accented this piece of unfinished business in his address to the Bank's Governors in Tokyo in September, and the United States will be pressing the point through the World Bank's aid consortia and elsewhere in the months to come.

Another piece of pending business before the World Bank family involves the International Finance Corporation. The IFC was formed 8 years ago to provide the World Bank with an instrument for dealing with private industrial enterprises in the developing countries without the necessity of governments giving their official guarantee to each loan—as is necessary under the World Bank's charter. IFC again was frankly an experiment; less than \$100 million was contributed by member governments. The idea was that IFC should be a catalyst, providing only small investment sums out of its own capital, but organizing teams of private investors from the industrialized countries and

the less developed countries to put up the bulk of the money needed for a given investment opportunity.

It has taken 8 years for IFC to devise effective operating procedures which are not too complicated for the management of new enterprises in the less developed countries and are at the same time attractive to private investors here and in Europe. The IFC has committed all of its original funds, about 30 percent in equity-type investments and the rest in loans. In the past year Mr. Woods faced the decision about how to increase IFC's capital. He could ask for further contributions; he could have IFC try to raise money through issuing its own securities; or he could revise the World Bank's charter to allow the Bank to lend directly to IFC. For practical reasons he chose the latter course, and Congress will be asked next year to approve amendments to the charters of the Bank and IFC.

This is an important step. It is a fact that one of the hallmarks of a poor or developing nation is the absence of a large business community, willing and able to invest money in productive industrial enterprises, as opposed to trade or real estate.

At the same time new industry is today both the symbol of the economic progress which the less developed countries want and the substance without which employment opportunities cannot be gained. The problem, then, is to improve the usefulness of the World Bank family as a source of industrial finance for private industry in these countries.

One useful way of doing this—a way pioneered by the World Bank—has been to help establish industrial development banks in the less developed countries, which can deal with many hundreds of small private investors. The Bank and IFC together have invested \$290 million in this kind of institution. IFC now has the responsibility for building on this record.

If Congress approves amendments permitting the Bank to lend money to IFC, the latter will become in effect the World Bank's industrial department. While continuing to act primarily as a catalyst for other private investors, IFC will itself make larger industrial loans to private enterprises in the less developed countries.

I have tried to illustrate some of the ways in which the World Bank family has become a financial success, an economic success, and a diplomatic success. In conclusion let me say one word about the future.

The idea of "foreign aid" has been involved in a great deal of heated debate of late in the Congress and elsewhere in this country. But I don't have to point out to you, as bankers, that it would be the sheerest kind of blindness to ignore in our foreign relations one of the great strengths which the United States has as the free world's leader—the strength which comes from its very wealth as a nation. To conduct diplomacy without drawing on that strength would be as silly as to conduct warfare without using the Navy or the Air Force.

Working for peace through helping other nations to engineer some escape from their poverty is just as important work in terms of our own security and well-being as is the work of our defense planners and our regular diplomatic corps. If the task of the Defense Establishment is to maintain the balance of power in favor of freedom, the task of development diplomacy is to maintain the balance of hope in our favor and for the free world. The one without the other simply will not provide us and the free world with the security we must have.

When I first came to Washington in 1959 as a freshman Member of Congress, one of my first assignments was to help defend on the floor of the House of Representatives an increase in the resources of the World Bank. To prepare myself for this assignment I read

everything about the World Bank family that I could find; I had long talks with Secretary of the Treasury, Robert B. Anderson, and with Mr. Eugene Black, who was then the President of the Bank. It seemed to me then, and I still believe, that the development of this great international financial institution marked a turning point in the affairs of men. In the past, warriors and diplomats have marched across the pages of history with scarcely a nod toward the banker or the financier. This great, highly successful organization of 102 nations now brings finance up to the top levels of international policy.

To me there is no more hopeful augury in the world today than the acceptance of the concept that economic development rates equally with military power in keeping the peace. As bankers this is something we can understand. I urge you all to acquaint yourselves with the programs and the problems of this great family of international institutions. When public debate arises, bring to the debate your skills and experience as bankers. This is our debate, and I urge you to make yourselves heard.

#### SMALL BUSINESS FAILURES IN 1964—THE SMALLEST NUMBER IN ANY YEAR SINCE 1956

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the Record and include extraneous matter.

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

There was no objection.

Mr. MULTER. Mr. Speaker, I would like to bring to the attention of our colleagues the fact that the decline in the number of small business failures continued in 1964.

The total number of small business failures last year was 13,501—the smallest number in any year since 1956. This represented a 6-percent decline from 1963 and is the third consecutive annual decrease since a high of 17,075 in 1961. The failure rate last year was 53.2 per 10,000 listed firms. The decrease in failures was most notable among business concerns under \$25,000.

While million-dollar bankruptcies reached a new high of 152, thus raising 1964's total liability figure in dollar terms, this still did not reach the peak of \$1,353 million set in 1963.

With continuing cooperation between the Small Business Administration, the banks, and the Congress, we can make 1965's figure even smaller.

#### NEW YORK CITY IN CRISIS— PART IX

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the Record and include extraneous matter.

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

There was no objection.

Mr. MULTER. Mr. Speaker, I commend to the attention of our colleagues the following article from the January

30, 1965, edition of the New York Herald Tribune on New York City in crisis.

This installment concerns the frustration of those private citizens in the Cooper Square area of New York City when they tried to participate in a slum clearance project in their own neighborhood: NEW YORK CITY IN CRISIS—COOPER SQUARE'S STORY OF FRUSTRATION

(By Marshall Peck)

One day in November 1960, Miss Thelma J. Burdick, chairman of the Cooper Square Community Development Committee, called on Mayor Wagner at city Hall. She and other committee members, who had stirred the community to fight against a slum clearance committee bulldozer-type refurbishment, told the mayor about their own ideas to plan ahead for Cooper Square.

Mayor Wagner, Miss Burdick recalls, was "very, very encouraging." She told him the plan her committee envisaged would be prepared under auspices of the community itself, and based on its needs and character.

"This is the way we want to think about redevelopment in the city," is the way Miss Burdick remembers Mayor Wagner's reaction to the proposal.

"But after we gave him the plan," Miss Burdick continues, "well—then he said nothing."

What transpired between that day in 1960, and today, or for that matter, since 1956, when the Cooper Square site was proposed for title I redevelopment, is the story of a neighborhood that has cried out for action, and been frustrated in getting it.

The plan as proposed by the slum clearance committee was dropped at the recommendation of the housing and redevelopment board, which has succeeded the former in May 1960.

The Cooper Square Committee presented its own alternate plan to the city in July 1961.

The city planning commission designated the area as suitable for urban renewal in December 1963, but it linked the Cooper Square site along with what is called the St. Mark's area.

Then, last November 19, the board of estimate overruled the city planning commission's own specific recommendation, and blunted the key of the Cooper Square alternate plan proposal by authorizing that a city-owned vacant lot be turned over for privately sponsored middle-income apartments instead of public low-rent housing.

"Yes, you might infer that this was a reversal of city policy," said a planning commission spokesman yesterday. And he added somewhat dryly, "the city can change its mind, apparently it's been doing that of recent."

Miss Burdick and members of the Cooper Square Community Development Committee have for the last 5 years waged a war for renewal in their own community. The alternate plan took shape under the guidance of the people that live there, in cooperation with the city planning commission and under direction of professional planners recognized as competent by the city. They were literally bowled over when they got word last June that plans for the middle-income building were afoot in an area needing low-income housing.

By October, they were making every effort to get to see the mayor, who in 1960 had praised their ideas, and ask him what had happened. The vacant lot, at Houston and Chrystie Streets, was to be the site of the first new building, and thereby the redevelopment could go ahead with orderly relocation by stages.

An all night vigil at Gracie Mansion in November exacted what the Cooper Square committee took to be a promise that Mr. Wagner would see them, but it wasn't until last Monday—the day the Herald Tribune



presented the first article of its "New York City in Crisis" series—that Miss Burdick received word that the mayor would meet with committee representatives on Friday.

Thursday night Miss Burdick, Executive Secretary Wilbert Tatum, and others gathered at the committee's headquarters at 69 Second Avenue. Strategy was mapped: "We must stress aggressiveness, determination, we will fight to the last ditch," someone said.

Then yesterday, as the committee readied its forces for a frontal assault on city hall, word came that Mr. Wagner was sidelined with a cold and, regretfully, would not be able to see them. The appointment was rescheduled for Monday at 3:30 p.m., same place, same sides.

Miss Burdick, Mr. Tatum, Walter Thabit, planning consultant who mapped the alternate plan in a slick, professional 69-page book (dated July 31, 1961); Harris L. Present, housing consultant; Prof. Percival Goodman, of Columbia, an architect; Raymond S. Rubinow, foundations consultant, and others reached city hall anyway and stood in some confusion, concern, and uneasiness in the entry hall.

"We're sorry Mr. Wagner is ill," Miss Burdick said. "We hope he will be well enough to see us on Monday." Somewhat more briskly, she added: "And were looking forward to a positive statement Monday that he will use his offices to reverse the decision against low-rent housing on that key land site."

"That's the first step," said Mr. Tatum, "then we have to break up the linkage between Cooper Square (Delancey to East Ninth, between the Bowery and Chrystie-Second Avenue) and the overall city planned project (Delancey to East 14th, between the Bowery-Third Avenue and Forsyth Street-First Avenue)."

"Cooper Square was planned by the community and ready to go—long ago—," said Mr. Present, "and all this delay and change . . . in effect, it's sabotage."

"Any community action which is constructive is a rare thing," said Professor Goodman. "It's too bad that a community committee can assemble for hundreds of meetings, and put heart and soul into an effort, and then be pushed in the face. To put it mildly, the city is not very friendly to its citizens when something like this happens."

Mr. Goodman and Mr. Present, and others who commented, were of course not referring to Mayor Wagner's incapacity yesterday. They were blaming him, as leader of the city, for not following up and pressing for action on the endeavors they reviewed with him, and which he praised, 4 years ago.

One of the committee members said that Milton Mollen, city housing coordinator, had advised the Cooper Square group on January 5 that "we will work out the problem together—and if the worst comes to the worst, we'll meet and talk over alternatives."

"The whole notion of democratic procedure is a falsity," growled a committee member.

Meanwhile committee members reported they had word that the housing and redevelopment board, which has the assignment of shaping the future of the renewal in the overall area designated by the city planning commission, was sending out letters announcing that a hearing on application to the Federal Government for survey and planning funds will be heard before the board of estimate in February.

The city planning commission reacted somewhat unhappily to the situation that has developed.

"We feel very strongly about public housing, we have not changed our position," a spokesman said, in reference to the switch from the low-rent to middle-income building approved, in effect, by the Board of Estimate.

"It's too bad—people take us on our faith, and then the signals change."

As for the reason for the designation of a larger renewal area, rather than the smaller area desired by the Cooper Square Committee, the spokesman said he felt the commission had attempted to formulate a renewal area that would offer the most for the lower East Side neighborhood.

"We would be considered negligent if we said it should be done in two shots—instead of just one," the spokesman said.

Sentiment against the original Title I Slum Clearance Committee proposal was aroused when the community saw it as a plan "prepared with almost total disregard for those who were being displaced."

Among other things, there was no thought given to artists and to the homeless men of the Bowery. Thought has been given to these groups in the alternate plan, its supporters say. Further, local people believed that "a perfectly sound business district was to be emasculated."

As pleased as the Cooper Square group was to see parts of its alternate plan adopted by the city planning commission, it was dismayed to find that the commission wrapped them up in a larger chunk.

So, while the community had a plan, and organization, and hopes, residents waited and waited . . . and waited, while controversy streamed back and forth about expansion (which would cover 11,000 households, instead of the Cooper Square's proposed 2,100).

"Well," said Miss Burdick, "if nothing else, maybe our organization and work is a great example of tenacity—a group of people who have worked so long together."

"And with so little effect," added Mr. Thabit.

#### WEST GERMAN-ISRAELI RELATIONS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. RODINO] may extend his remarks at this point in the Record and include extraneous matter.

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

There was no objection.

Mr. RODINO. Mr. Speaker, I should like to express here my disappointment and chagrin on learning that the West German Government has bowed to pressure from Egypt and reneged on its legal obligation to sell arms and equipment to Israel.

We all know the history of the young Israeli Nation and its diligent search for peace.

Let us hope that West Germany will immediately realize its error in submitting to a dictator who hopes to wipe Israel off the map and that it will rectify this action.

I look forward to seeing the former friendly relations between West Germany and Israel reestablished promptly and completely.

#### CLERK AUTHORIZED TO RECEIVE MESSAGES FROM SENATE AND SPEAKER AUTHORIZED TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

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.

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

There was no objection.

#### MESSAGE FROM THE SENATE

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

H.R. 3818. An act to eliminate the requirement that Federal Reserve banks maintain certain reserves in gold certificates against deposit liabilities.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. CABELL (at the request of Mr. WHITE of Texas), on account of official business.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HERLONG, for 30 minutes, today.

Mr. ICHORD, for 1 hour, on Tuesday, February 23.

Mr. OLSEN of Montana (at the request of Mr. PATMAN), for 5 minutes, today; and to revise and extend his remarks and include extraneous matter.

Mr. FARBERSTEIN, for 15 minutes, today; and to revise and extend his remarks and include extraneous matter.

Mr. LINDSAY (at the request of Mr. RUMSFELD), for 1 hour, on Thursday, February 25; to revise and extend his remarks and to include extraneous matter.

Mr. GALLAGHER (at the request of Mr. ALBERT), for 60 minutes, on Wednesday, February 24, 1965; to revise and extend his remarks and to include extraneous matter.

Mr. MURPHY of Illinois (at the request of Mr. ALBERT), for 60 minutes, on Wednesday, February 24, 1965; to revise and extend his remarks and to include extraneous matter.

#### EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. REUSS (at the request of Mr. PATMAN) in his remarks today on the bill H.R. 45 and to include the report of the committee.

(The following Member (at the request of Mr. RUMSFELD) and to include extraneous matter:)

Mr. MARTIN of Alabama.

(The following Members (at the request of Mr. ALBERT) and to include extraneous matter:)

Mr. BRADEMANS.

Mr. GARMATZ.

## ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 21 minutes p.m.), under its previous order, the House adjourned until Monday, February 22, 1965, 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:

597. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 15, 1964, submitting a report, together with accompanying papers and illustrations, on a cooperative beach erosion control study of, an interim hurricane survey of, and a review of the reports on Broward County and Hillsboro Inlet, Fla., authorized by the River and Harbor Act approved July 3, 1930, as amended and supplemented, and Public Law 71, 84th Congress, approved June 15, 1955. It is also in response to a resolution of the Committee on Public Works, House of Representatives, adopted June 27, 1956 (H. Doc. No. 91); to the Committee on Public Works and ordered to be printed with two illustrations.

598. A letter from the Acting Director, Office of Civil Defense, Department of the Army, transmitting a report on Federal contributions program—equipment and facilities—for the quarter ended December 31, 1964, pursuant to subsection 201(1) of the Federal Civil Defense Act of 1950, as amended, accompanied by a table showing distribution by States; to the Committee on Armed Services.

599. A letter from the Secretary, Export-Import Bank of Washington, transmitting a report on shipments to Yugoslavia insured by the Foreign Credit Insurance Association and the Export-Import Bank under the short term export credit insurance program, pursuant to title III of the Foreign Aid and Related Agencies Appropriation Act of 1965 and to the Presidential determination of February 4, 1964; to the Committee on Foreign Affairs.

600. A letter from the Comptroller General of the United States, transmitting a report on erroneous payments for military pay, leave, and travel at Ellsworth Air Force Base, S. Dak., Department of the Air Force; to the Committee on Government Operations.

601. A letter from the Chairman, Interstate Commerce Commission, transmitting five drafts of proposed legislation accompanied by legislative recommendations; to the Committee on Interstate and Foreign Commerce.

602. A letter from the Attorney General, transmitting a draft of proposed legislation entitled "A bill to provide for exemptions from the antitrust laws to assist in safeguarding the balance-of-payments position of the United States"; to the Committee on the Judiciary.

## 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. BURLISON: Committee on House Administration. Report on the activities of the Select Committee on Government Research (Rept. No. 1941, pt. 2, 88th Cong., 2d sess.). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY: Committee on Post Office and Civil Service. Report on the Federal paperwork jungle (Rept. No. 52). Referred to the Committee of the Whole House on the State of the Union.

Mr. PHILBIN: Committee on Armed Services. H.R. 1658. A bill to authorize the sale, without regard to the 6-month waiting period prescribed, of lead proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act; with amendment (Rept. No. 53). Referred to the Committee of the Whole House on the State of the Union.

Mr. PHILBIN: Committee on Armed Services. H.R. 1496. A bill to authorize the sale, without regard to the 6-month waiting period prescribed, of zinc proposed to be disposed of pursuant to the Strategic and Critical Materials Stock Piling Act; with amendment (Rept. No. 54). Referred to the Committee of the Whole House on the State of the Union.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK:

H.R. 5124. A bill to amend section 215 of the Immigration and Nationality Act; to the Committee on the Judiciary.

H.R. 5125. A bill to amend the Subversive Activities Control Act of 1950 so as to authorize the Federal Government to guard strategic defense facilities against individuals believed disposed to commit acts of sabotage, espionage, or other subversion; to the Committee on Un-American Activities.

By Mr. ASHLEY:

H.R. 5126. A bill to amend the Internal Revenue Code of 1954 to provide an additional exemption for a taxpayer or spouse who is physically or mentally incapable of caring for himself, and an additional exemption for a taxpayer supporting a dependent who is blind or physically or mentally incapable of caring for himself; to the Committee on Ways and Means.

By Mr. DON H. CLAUSEN:

H.R. 5127. A bill to extend the operation of the National Wool Act of 1954, as amended; to the Committee on Agriculture.

H.R. 5128. A bill making it a felony to carry or attempt to carry firearms or explosives on board commercial aircraft and to amend the Federal Aviation Act of 1958 so as to require additional precautionary measures aboard certain aircraft in the interest of the safety of the traveling public; to the Committee on Interstate and Foreign Commerce.

H.R. 5129. A bill to amend title XI of the Federal Act of 1958 to provide that certain provisions of insurance contracts covering loss of life or personal injury of passengers being transported in air transportation shall be null and void; to the Committee on Interstate and Foreign Commerce.

H.R. 5130. A bill to amend the Federal Aviation Act of 1958 so as to require additional precautionary measures aboard certain aircraft in the interest of the safety of the traveling public; to the Committee on Interstate and Foreign Commerce.

By Mr. EDMONDSON:

H.R. 5131. A bill to amend title 38 of the United States Code to establish the number of hospital beds and domiciliary beds to be operated in facilities of the Veterans' Administration, and limiting the authority of the Veterans' Administration with respect to closing of facilities; to the Committee on Veterans' Affairs.

By Mr. EDWARDS of Alabama:

H.R. 5132. A bill to amend the Civil Service Retirement Act to provide for retirement with full annuity upon completion of 30 years of service without regard to age and

with reduced annuity upon attainment of age 55 years and completion of 25 years of service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FINO:

H.R. 5133. A bill to increase from \$600 to \$700 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

By Mr. FOGARTY:

H.R. 5134. A bill to authorize assistance in meeting the initial cost of professional and technical personnel for comprehensive community mental health centers; to the Committee on Interstate and Foreign Commerce.

By Mr. GIAIMO:

H.R. 5135. A bill to encourage the preservation and development of a modern and efficient passenger rail transportation service in the northeastern seaboard area by granting the consent and approval of Congress to the States of Massachusetts, Rhode Island, Connecticut, and New York to negotiate and enter into a compact to create their own Northeast Rail Authority, and by guaranteeing certain loans and other credit to such authority; to the Committee on the Judiciary.

By Mr. HANSEN of Idaho:

H.R. 5136. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. HAYS:

H.R. 5137. A bill to provide for the establishment of a schedule of fees for the issuance of passports; to the Committee on Foreign Affairs.

By Mr. KING of New York:

H.R. 5138. A bill to permit any wage earner to defer payment of a portion of the difference between the income tax imposed for a taxable year beginning in 1964 and the amount deducted and withheld upon his wages during 1964; to the Committee on Ways and Means.

By Mr. KING of Utah:

H.R. 5139. A bill to amend section 379d(b) of the Agricultural Adjustment Act of 1938, as amended, in order to exempt from the requirements of such section wheat which is produced or processed solely for donation to needy persons; to the Committee on Agriculture.

H.R. 5140. A bill to extend the operation of the National Wool Act of 1954, as amended; to the Committee on Agriculture.

By Mr. KREBS:

H.R. 5141. A bill to establish a National Economic Conversion and Diversification Commission, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LEGGETT:

H.R. 5142. A bill to strengthen and improve educational quality and educational opportunities in the Nation's elementary and secondary schools; to the Committee on Education and Labor.

By Mr. MILLER:

H.R. 5143. A bill to amend the Civil Service Retirement Act so as to provide relief for those employees involuntarily separated from service and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 5144. A bill to amend the Federal Water Pollution Control Act to require certain studies of the pollution of the San Francisco Bay and adjacent waters, and to prohibit the operation of any interceptor drain so as to pollute such waters; to the Committee on Public Works.

By Mr. MONAGAN:

H.R. 5145. A bill to authorize the disposal of copper from the national stockpile and the supplemental stockpile, without regard to the provisions of section 3 of the Strategic



and Critical Materials Stock Piling Act; to the Committee on Armed Services.

H.R. 5146. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. O'NEILL of Massachusetts:

H.R. 5147. A bill to amend the Federal Employees Health Benefits Act of 1959 to permit until December 31, 1965, certain additional health benefits plans to come within the purview of such act; to the Committee on Post Office and Civil Service.

By Mr. PHILBIN:

H.R. 5148. A bill authorizing the President of the United States to award posthumously a Congressional Medal of Honor to John Fitzgerald Kennedy; to the Committee on the Judiciary.

By Mr. REDLIN:

H.R. 5149. A bill to amend the Watershed Protection and Flood Prevention Act so as not to exclude from the benefits provided by such act areas which includes structure of 12,500 or less acre-feet of floodwater detention capacity; to the Committee on Agriculture.

By Mr. RESNICK:

H.R. 5150. A bill to provide for the establishment of the Hudson Highlands National Scenic Riverway in the State of New York, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. REUSS:

H.R. 5151. A bill to amend the Federal Water Pollution Control Act, as amended, to establish the Federal Water Pollution Control Administration, to provide grants for research and development, to increase grants for construction of municipal sewage treatment works, to authorize the establishment of standards of water quality to aid in preventing, controlling, and abating pollution of interstate waters, and for other purposes; to the Committee on Public Works.

By Mr. RIVERS of Alaska:

H.R. 5152. A bill to authorize a study of methods of helping to provide financial assistance to victims of future natural disasters; to the Committee on Banking and Currency.

H.R. 5153. A bill to extend the term during which the Secretary of the Interior is authorized to make fisheries loans under the Fish and Wildlife Act of 1956, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ROGERS of Colorado:

H.R. 5154. A bill to amend the Sherman Antitrust Act (15 U.S.C. et seq.) to provide that exclusive territorial franchises, under limited circumstances, shall not be deemed a restraint of trade or commerce or a monopoly or attempt to monopolize, and for other purposes; to the Committee on the Judiciary.

By Mr. ROSTENKOWSKI:

H.R. 5155. A bill to amend the Internal Revenue Code of 1954 to repeal the tax on admissions; to the Committee on Ways and Means.

By Mr. ROUSH:

H.R. 5156. A bill to provide for the disposition of the funds arising from judgments in favor of the Miami Indians of Indiana and Oklahoma, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ROYBAL:

H.R. 5157. A bill to provide a system of health and safety rules and regulations and proper enforcement thereof; health and safety inspection and investigation; health and safety training and education for metallic and nonmetallic mines and quarries (excluding coal and lignite mines); and for other purposes; to the Committee on Education and Labor.

By Mr. SCHEUER:

H.R. 5158. A bill to amend the Federal Water Pollution Control Act to make certain changes in the treatment works construction

program under such act; to the Committee on Public Works.

By Mr. SCHMIDHAUSER:

H.R. 5159. A bill to amend the Federal Water Pollution Control Act, as amended, to establish the Federal Water Pollution Control Administration, to provide grants for research and development, to increase grants for construction of municipal sewage treatment works, to authorize the establishment of standards of water quality to aid in preventing, controlling, and abating pollution of interstate waters, and for other purposes; to the Committee on Public Works.

By Mr. STAGGERS:

H.R. 5160. A bill to amend the Textile Fiber Products Identification Act to permit the listing on labels of certain fibers constituting less than 5 percent of a textile fiber product; to the Committee on Interstate and Foreign Commerce.

By Mr. TALCOTT:

H.R. 5161. A bill to include as creditable service for purposes of the Civil Service Retirement Act military service in the Armed Forces of a government or government in exile allied or associated with the United States in World War II, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WHITENER:

H.R. 5162. A bill to amend title 18, United States Code, to protect the security of the United States by providing penalties for interference with defense security systems; to the Committee on the Judiciary.

By Mr. WYDLER:

H.R. 5163. A bill to repeal the retailers excise taxes on jewelry, furs, toilet preparations, and luggage and handbags; to the Committee on Ways and Means.

By Mr. ASHBROOK:

H.R. 5164. A bill to amend the Civil Service Retirement Act to provide for the adjustment of inequities and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 5165. A bill relating to rates of postage on third-class matter mailed by certain nonprofit organizations; to the Committee on Post Office and Civil Service.

H.R. 5166. A bill to amend the Civil Service Retirement Act, as amended, to provide for the recomputation of annuities of certain retired employees who elected reduced annuities at the time of retirement in order to provide survivor annuities for their spouses, and for the recomputation of survivor annuities for the surviving spouses of certain former employees who died in service or after retirement; to the Committee on Post Office and Civil Service.

By Mr. ASHMORE:

H.R. 5167. A bill to amend title 38 of the United States Code to authorize the administrative settlement of tort claims arising in foreign countries, and for other purposes; to the Committee on the Judiciary.

By Mr. CLEVELAND:

H.R. 5168. A bill to amend the National Defense Education Act of 1958 to provide Federal assistance to States for preparing and carrying out a program for providing education by television and radio and for making the benefits of audiovisual and training aids more generally available; to the Committee on Education and Labor.

By Mr. DOW:

H.R. 5169. A bill to authorize establishment of the Tocks Island National Recreation area in the States of Pennsylvania, New Jersey, and New York, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 5170. A bill to amend title II of the Social Security Act so as to permit child's insurance benefits to continue after age 18 in the case of certain children who are full-time students after attaining such age; to the Committee on Ways and Means.

H.R. 5171. A bill to amend the Tariff Act of 1930 to provide that button blanks, regardless of state of finish, shall be subject to the same duty as buttons; to the Committee on Ways and Means.

By Mr. DUNCAN of Tennessee:

H.R. 5172. A bill to provide flood control on the Big South Fork, Cumberland River Basin; to the Committee on Public Works.

By Mrs. DWYER:

H.R. 5173. A bill to establish in the Executive Office of the President an Office of Urban Affairs; to the Committee on Government Operations.

By Mr. FOLEY:

H.R. 5174. A bill to authorize the Secretary of the Treasury to fix the silver content of certain coins of the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. LENNON:

H.R. 5175. A bill providing for a study of the legal problems of management, use, and control of the natural resources of the oceans and ocean beds; to the Committee on Merchant Marine and Fisheries.

By Mr. MICHEL:

H.R. 5176. A bill to permit any wage earner to defer payment of a portion of the difference between the income tax imposed for a taxable year beginning in 1964 and the amount deducted and withheld upon his wages during 1964; to the Committee on Ways and Means.

By Mr. MORRISON:

H.R. 5177. A bill to establish the position of U.S. customs inspector (nonsupervisory) in the Bureau of Customs, Department of the Treasury, to place such position in grade 10 of the Classification Act of 1949, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MORTON:

H.R. 5178. A bill to adjust wheat and feed grain production, to establish a cropland retirement program, and for other purposes; to the Committee on Agriculture.

By Mr. O'HARA of Michigan:

H.R. 5179. A bill to repeal the manufacturers excise tax on passenger automobiles; to the Committee on Ways and Means.

By Mr. OLSEN of Montana:

H.R. 5180. A bill to amend title 39, United States Code, to encourage the use by volume mailers of ZIP code through postage rate concessions; to the Committee on Post Office and Civil Service.

By Mr. SECRET:

H.R. 5181. A bill to amend title 38 of the United States Code to increase the rate of pension payable to widows of certain veterans by 10 percent, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. VAN DEERLIN:

H.R. 5182. A bill to provide research, technical, and financial assistance with respect to the disposal of solid wastes to the several States and political subdivisions thereof; to the Committee on Interstate and Foreign Commerce.

H.R. 5183. A bill to designate the fourth Friday in September of every year as American Indian Day; to the Committee on the Judiciary.

By Mr. ASHMORE:

H.R. 5184. A bill for the relief of the Port of Portland, Oreg.; to the Committee on the Judiciary.

By Mr. BATES:

H.R. 5185. A bill to amend the tariff schedules of the United States with respect to electrical indicating instruments; to the Committee on Ways and Means.

By Mr. HENDERSON:

H.R. 5186. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco; to the Committee on Agriculture.

By Mr. ICHORD:

H.R. 5187. A bill to require the establishment, on the basis of the 18th and subsequent decennial censuses, of congressional districts composed of contiguous and compact territory for the election of Representatives, and for other purposes; to the Committee on the Judiciary.

By Mr. McCULLOCH:

H.R. 5188. A bill to provide for the appointment of two temporary additional district judges for the State of Ohio; to the Committee on the Judiciary.

By Mr. PATTEN:

H.R. 5189. A bill to specify the number of hospital beds that the Administrator of Veterans' Affairs must maintain and operate at the Veterans' Hospital, East Orange, N.J.; to the Committee on Veterans' Affairs.

H.R. 5190. A bill to provide for the construction of a new Veterans' Administration hospital in southern New Jersey; to the Committee on Veterans' Affairs.

By Mr. ROYBAL:

H.R. 5191. A bill to provide for a program to advance the humane care, comfort, and welfare of laboratory animals used in scientific study; to the Committee on Interstate and Foreign Commerce.

By Mr. SAYLOR:

H.R. 5192. A bill to amend title 38 of the United States Code to provide that the Veterans' Administration shall provide complete medical services for any veteran totally disabled from a service-connected disability; to the Committee on Veterans' Affairs.

H.R. 5193. A bill to amend the Internal Revenue Code of 1954 to increase the depletion allowance to the present maximum (27½ percent) for all minerals produced in the United States; to the Committee on Ways and Means.

By Mr. SHIPLEY:

H.R. 5194. A bill authorizing the Secretary of the Army to participate in the construction of a highway bridge across Carlyle Reservoir, Kaskaskia River, Ill.; to the Committee on Public Works.

H.R. 5195. A bill to modify the flood control project for the Kaskaskia River, Ill., with respect to certain requirements for local cooperation; to the Committee on Public Works.

By Mr. STAGGERS:

H.R. 5196. A bill to amend the act of March 4, 1907, to provide that the 16-hour limitation upon continuous duty for certain railroad employees shall apply to employees installing, repairing, and maintaining signal systems, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WYDLER:

H.R. 5197. A bill to amend section 601 of the Federal Aviation Act to require identification markings on the underside of the wings of certain aircraft; to the Committee on Interstate and Foreign Commerce.

By Mr. LINDSAY:

H.R. 5198. A bill to amend the Internal Revenue Code of 1954 to extend the head of household benefits to all unmarried widows and widowers and to all individuals who have attained age 35 and who have never been married or who have been separated or divorced for 3 years or more; to the Committee on Ways and Means.

By Mr. ANDERSON of Illinois:

H.J. Res. 335. Joint resolution to repeal certain Federal taxes with a view to restoring to the States and localities certain functions and revenue sources which they are best able to exercise and utilize, and to terminate certain grant and loan programs administered by the Housing and Home Finance Agency; to the Committee on Ways and Means.

By Mr. FARBSTAIN:

H.J. Res. 336. Joint resolution to provide for the issuance of a special postage stamp in commemoration of the liberation by the U.S. Armed Forces of oppressed and subju-

gated persons from concentration camps in Germany in World War II; to the Committee on Post Office and Civil Service.

By Mr. HORTON:

H.J. Res. 337. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. MAHON:

H.J. Res. 338. Joint resolution to provide for the reappointment of Robert V. Fleming as citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

By Mr. OTTINGER:

H.J. Res. 339. Joint resolution to revise the laws relating to political contributions in connection with Federal elections, and for other purposes; to the Committee on Ways and Means.

By Mr. PHILBIN:

H.J. Res. 340. Joint resolution granting the consent of Congress to the States of Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, and the District of Columbia to negotiate and enter into a compact to establish a multistate authority to construct and operate a passenger rail transportation system within the area of such States and the District of Columbia; to the Committee on the Judiciary.

By Mr. PUCINSKI:

H.J. Res. 341. Joint resolution announcing the sense of Congress in support of President Johnson's policy of measured retaliation against North Vietnam military installations as the situation requires; to the Committee on Foreign Affairs.

By Mr. DON H. CLAUSEN:

H. Con. Res. 305. Concurrent resolution expressing the sense of the Congress with respect to the designation of a grove of redwood trees as a memorial to the late Dag Hammarskjöld; to the Committee on House Administration.

By Mr. FARBSTAIN:

H. Con. Res. 306. Concurrent resolution expressing the continued faith of the United States in the growth and strengthening of the United Nations; to the Committee on Foreign Affairs.

By Mr. HELSTOSKI:

H. Con. Res. 307. Concurrent resolution to request the President to initiate discussion of the Baltic States question before the United Nations with a view to gaining the independence of Lithuania, Latvia, and Estonia from the Soviet Union; to the Committee on Foreign Affairs.

By Mr. KREBS:

H. Con. Res. 308. Concurrent resolution expressing the sense of the Congress with respect to the public viewing of the film "Years of Lightning, Day of Drums," prepared by the U.S. Information Agency on the late President Kennedy; to the Committee on Foreign Affairs.

By Mr. LEGGETT:

H. Con. Res. 309. Concurrent resolution providing for a Joint Committee on the Organization of the Congress; to the Committee on Rules.

By Mr. MAILLIARD:

H. Con. Res. 310. Concurrent resolution relating to American shippers' responsibility in reducing unfavorable payments balance; to the Committee on Merchant Marine and Fisheries.

By Mr. MATSUNAGA:

H. Con. Res. 311. Concurrent resolution expressing the sense of the Congress with respect to the distribution and viewing of the film prepared by the U.S. Information Agency entitled "Years of Lightning, Day of Drums"; to the Committee on Foreign Affairs.

By Mr. PHILBIN:

H. Con. Res. 312. Concurrent resolution to authorize the disposal of chromium metal,

acid grade fluorspar, and silicon carbide from the supplemental stockpile; to the Commission on Armed Services.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 5199. A bill for the relief of Vassiliki and Athanasios Levantis; to the Committee on the Judiciary.

H.R. 5200. A bill for the relief of Tevfik M. Gokcebay; to the Committee on the Judiciary.

By Mr. CAREY:

H.R. 5201. A bill for the relief of Mrs. Esmerenda Blackstock; to the Committee on the Judiciary.

H.R. 5202. A bill for the relief of Sotiria Emmanuel Hadjistavrou; to the Committee on the Judiciary.

By Mr. CURTIN:

H.R. 5203. A bill for the relief of Lynn Jestina Joseph; to the Committee on the Judiciary.

By Mrs. DWYER:

H.R. 5204. A bill for the relief of Joseph K. Bellek; to the Committee on the Judiciary.

By Mr. FARBSTAIN:

H.R. 5205. A bill for the relief of Konstantinos Anastasios Stefanides; to the Committee on the Judiciary.

H.R. 5206. A bill for the relief of Mrs. Ruth Gorfain; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 5207. A bill for the relief of Salvatore Brancata; to the Committee on the Judiciary.

H.R. 5208. A bill for the relief of Luigi Facciponte; to the Committee on the Judiciary.

H.R. 5209. A bill for the relief of Mrs. Pavica Labetic; to the Committee on the Judiciary.

H.R. 5210. A bill for the relief of Lucio Maugeri; to the Committee on the Judiciary.

H.R. 5211. A bill for the relief of Paolina Perciballi; to the Committee on the Judiciary.

H.R. 5212. A bill for the relief of Nicolo Scorsone; to the Committee on the Judiciary.

By Mr. GILBERT:

H.R. 5213. A bill for the relief of Winston Lloyd McKay; to the Committee on the Judiciary.

H.R. 5214. A bill for the relief of George Panagiotidis and his wife, Crystallia Panagiotidis; to the Committee on the Judiciary.

H.R. 5215. A bill for the relief of Dimitrios Triantafillis; to the Committee on the Judiciary.

By Mr. GREEN of Pennsylvania:

H.R. 5216. A bill for the relief of Stasia Progak; to the Committee on the Judiciary.

By Mr. HECHLER:

H.R. 5217. A bill to permit the vessel *Little Nancy* to be documented for use in the coastwise trade; to the Committee on Merchant Marine and Fisheries.

By Mr. HUNGATE:

H.R. 5218. A bill for the relief of Mrs. Dina Kottwitz; to the Committee on the Judiciary.

By Mrs. KELLY:

H.R. 5219. A bill for the relief of Judith Ben-Shalom; to the Committee on the Judiciary.

By Mr. KREBS:

H.R. 5220. A bill for the relief of Ramiro Ventura Pacheco; to the Committee on the Judiciary.

By Mr. LINDSAY:

H.R. 5221. A bill for the relief of Alessandro Panella; to the Committee on the Judiciary.

By Mr. MIZE:

H.R. 5222. A bill for the relief of Dong Chan Kim Willingham; to the Committee on the Judiciary.



By Mr. O'NEILL of Massachusetts:  
H.R. 5223. A bill for the relief of John Vincent Amiralut; to the Committee on the Judiciary.

H.R. 5224. A bill for the relief of Isak and Luiza Kazez; to the Committee on the Judiciary.

By Mr. POWELL:  
H.R. 5225. A bill for the relief of Ging Sze Chin; to the Committee on the Judiciary.

By Mr. RONCALIO:  
H.R. 5226. A bill to authorize the Secretary of the Interior to convey certain public land in Wyoming to Clara Dozier Wire; to the Committee on Interior and Insular Affairs.

By Mr. ROYBAL:  
H.R. 5227. A bill for the relief of Kwang Han Kim, and his wife, Yong Kuk Kim; to the Committee on the Judiciary.

By Mr. RYAN:  
H.R. 5228. A bill for the relief of Eugen Gross, his wife, Adele Gross, and their two minor children, Ernie Gross and Dorina Gross; to the Committee on the Judiciary.

By Mr. SCHEUER:  
H.R. 5229. A bill for the relief of Ruth Adina Burrell; to the Committee on the Judiciary.

By Mr. SMITH of Iowa:  
H.R. 5230. A bill for the relief of Giovanni Francesco Fausto Cosenza; to the Committee on the Judiciary.

By Mr. TALCOTT:  
H.R. 5231. A bill for the relief of Jack Ralph Walker; to the Committee on the Judiciary.

By Mr. THOMPSON of New Jersey:  
H.R. 5232. A bill for the relief of Jose Rodolfo Rosell-Castell; to the Committee on the Judiciary.

#### PETITIONS, ETC.

Under clause 1 of rule XXII,

105. The SPEAKER presented a petition of National Maritime Union of America, AFL-CIO, Memphis, Tenn., petitioning consideration of their resolution with reference to requesting Congress to use every effort to assure the continuous and efficient operation of the U.S. Public Health Service hospital at Memphis, Tenn., and to prevent bureaucratic forces from destroying the ability of the U.S. Public Health Service to give adequate medical and hospital care to the merchant seamen; which was referred to the Committee on Interstate and Foreign Commerce.

## SENATE

THURSDAY, FEBRUARY 18, 1965

(Legislative day of Wednesday, February 17, 1965)

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

Rev. A. Edward Gradeck, pastor, St. Joseph's Roman Catholic Church, Waterbury, Conn., offered the following prayer:

O God, the Father of all people and the Supreme Judge of all men, of the just and the wicked, of the free and the oppressed, this day do we send forth our prayers to Thee, and cry out from the depths of our hearts for all the people of the world who must suffer and endure the slave yoke of oppression and persecution. In Thy goodness, grant to all of them life, liberty, and the pursuit of happiness, rights given to them by Thee, as their Creator.

But more so today, do we ask Thee to turn Thine eyes of mercy upon the people of Lithuania. This day, the 47th year of the proclamation of her independence as a free nation, finds her lying prone and helpless, the victim of a most cruel and oppressive tyrant.

As Thou hearest the rising crescendo of prayers that will ascend to Thee this day, those from the muted lips of the enslaved and the imprisoned, and those from our own hearts and minds, grant, we beseech Thee, that the day of liberation of Lithuania be not long in coming. Turn not a deaf ear to our pleadings. This we ask of Thee, in the name of our Lord and Saviour, Jesus Christ. Amen.

#### THE JOURNAL

On request by Mr. LONG of Louisiana, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, February 17, 1965, was dispensed with.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed a bill (H.R. 2998) to amend the Arms Control and Disarmament Act, as amended, in order to increase the authorization for appropriations, in which it requested the concurrence of the Senate.

#### HOUSE BILL REFERRED

The bill (H.R. 2998) to amend the Arms Control and Disarmament Act, as amended, in order to increase the authorization for appropriations, was read twice by its title and referred to the Committee on Foreign Relations.

#### GOLD RESERVE REQUIREMENTS

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (H.R. 3818) to eliminate the requirement that Federal Reserve banks maintain certain reserves in gold certificates against deposit liabilities.

The Senate resumed the consideration of the bill (H.R. 3818) to eliminate the requirement that Federal Reserve banks maintain certain reserves in gold certificates against deposit liabilities.

#### COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. LONG of Louisiana, and by unanimous consent, the Committee on Commerce and the Subcommittee on Veterans' Affairs of the Committee on Labor and Public Welfare were authorized to meet during the session of the Senate today.

#### SUBCOMMITTEE MEETING DURING SENATE SESSION

Mr. HOLLAND. Mr. President, I ask unanimous consent that the Subcommittee on Administrative Practice and Pro-

cedure may be authorized to meet while the Senate is in session today.

The VICE PRESIDENT. Is there objection? There being no objection, it is so ordered.

#### ORDER OF BUSINESS

Mr. HOLLAND. Mr. President, under a special arrangement made yesterday, a discussion of the agricultural labor question was scheduled for this time. However, the senior Senator from Louisiana [Mr. ELLENDER], who was to begin the presentation, is not present in the Chamber as yet. I suggest that I be permitted to yield momentarily to Senators who desire to make insertions in the RECORD, and after they have done so, I shall ask for a quorum call until the Senator from Louisiana can reach the Senate Chamber.

#### EXECUTIVE COMMUNICATIONS, ETC.

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

##### REPORT ON REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that appropriation "Limitation on salaries and expenses, Social Security Administration" for the fiscal year 1965, had been reapportioned on a basis which indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

##### REVISED PROCEDURES FOR DESTRUCTION OF UNFIT FEDERAL RESERVE NOTES

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize revised procedures for the destruction of unfit Federal Reserve notes, and for other purposes (with an accompanying paper); to the Committee on Banking and Currency.

##### REPORT ON LIQUIDATION ACTIVITIES OF RECONSTRUCTION FINANCE CORPORATION

A letter from the Acting Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report on liquidation activities of the Reconstruction Finance Corporation, as of December 31, 1964 (with an accompanying report); to the Committee on Banking and Currency.

##### UTILIZATION OF FUNDS RECEIVED FROM STATE AND LOCAL GOVERNMENTS FOR SPECIAL METEOROLOGICAL SERVICES

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize the Secretary of Commerce to utilize funds received from State and local governments for special meteorological services (with accompanying papers); to the Committee on Commerce.

##### REPORT OF OFFICE OF CIVIL DEFENSE, DISTRICT OF COLUMBIA

A letter from the Director, Office of Civil Defense, District of Columbia, Washington, D.C., transmitting, pursuant to law, a report of that Office, for the fiscal year 1964 (with an accompanying report); to the Committee on the District of Columbia.

##### REPORT ON ADVISORY COMMITTEES, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on the advisory committees which assist in carrying out the functions of that Department, for the calendar