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DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 1965

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HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH CONGRESS

SECOND SESSION

SUBCOMMITTEE ON DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS

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JAY B. HOWE, *Staff Assistant to the Subcommittee*

DEPARTMENT OF JUSTICE

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U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1964

:1-180

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DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 1965

THURSDAY, JANUARY 30, 1964.

DEPARTMENT OF JUSTICE

WITNESSES

HON. ROBERT F. KENNEDY, ATTORNEY GENERAL
NICHOLAS deB. KATZENBACH, DEPUTY ATTORNEY GENERAL
S. A. ANDRETTA, ADMINISTRATIVE ASSISTANT ATTORNEY GENERAL
J. C. BROWN, CHIEF, BUDGET AND ACCOUNTS OFFICE
EDWIN O. GUTHMAN, DIRECTOR OF PUBLIC INFORMATION

Mr. ROONEY. The committee will please come to order.

We are honored this morning to have with us the distinguished Attorney General of the United States, the Honorable Robert F. Kennedy, who has a statement for the committee with regard to the overall 1965 fiscal year appropriations for the Department of Justice.

The total request for the Department of Justice is in the amount of $368,138,000, which would be an increase of $24,239,000 over the amounts appropriated for the various activities in this Department in the current fiscal year.

SUMMARY OF BUDGET FOR 1965

We shall at this point insert pages 1–1 through 1–4 of the justifications in the record.

(The pages follow:)

Summary of personnel

[Dollar amounts in thousands]

	1963 actual				1964 estimate				1965 estimate				Employment as of Nov. 30, 1963
	Permanent positions	Average number of all employees	Number of employees at end of year	Total personnel compensation	Permanent positions	Average number of all employees	Number of employees at end of year	Total personnel compensation	Permanent positions	Average number of all employees	Number of employees at end of year	Total personnel compensation	
APPROPRIATED FUNDS													
Legal activities and general administration:													
Salaries and expenses, general administration	568	539	558	$3,707	578	543	564	$3,889	578	552	564	$4,060	538
Salaries and expenses, general legal activities	1,564	1,497	1,558	13,632	1,637	1,545	1,592	15,397	1,613	1,555	1,600	16,066	1,531
Salaries and expenses, Antitrust Division	612	577	584	5,119	614	573	584	5,429	614	573	585	5,667	570
Salaries and expenses, U.S. attorneys and marshals	2,836	2,742	2,767	20,744	2,882	2,818	2,794	22,141	2,882	2,820	2,805	22,775	2,792
Fees and expenses of witnesses	----	----	----	883	----	----	----	825	----	----	----	1,065	----
Salaries and expenses, Administrative Conference of the United States	----	9	----	82	----	----	----	----	----	----	----	----	----
Total, legal activities and general administration	5,580	5,364	5,467	44,167	5,711	5,479	5,534	47,681	5,687	5,500	5,554	0 49,633	5,431
Federal Bureau of Investigation: Salaries and expenses, Federal Bureau of Investigation	14,354	13,811	13,713	111,579	14,782	14,239	14,290	120,314	14,782	14,239	14,290	123,712	13,915
Immigration and Naturalization Service: Salaries and expenses, Immigration and Naturalization Service	7,203	6,914	6,989	51,617	7,097	6,758	6,870	54,245	7,097	6,727	6,870	55,991	6,810
Federal prison system:													
Salaries and expenses, Bureau of Prisons	5,231	5,171	5,192	34,754	5,373	5,310	5,338	36,923	5,347	5,322	5,345	39,036	4,989
Buildings and facilities, Federal prison system	50	28	18	220	52	30	50	235	52	31	50	245	26
Support of U.S. prisoners	----	5	----	106	----	5	----	106	----	5	----	114	----
Total, Federal prison system	5,281	5,204	5,210	35,080	5,425	5,345	5,388	37,264	5,399	5,358	5,395	39,395	5,015
Total, appropriated funds	32,418	31,293	31,379	242,443	33,015	31,821	32,082	259,504	32,965	31,824	32,109	268,731	31,171
EXPENSE LIMITATIONS													
Office of Alien Property: Salaries and expenses, Office of Alien Property	52	54	42	521	48	53	42	520	48	50	42	520	44
Federal Prison Industries, Inc.: Administrative and vocational expenses	181	176	172	1,339	197	205	197	1,691	197	207	197	1,763	176
Total, expense limitations	233	230	214	1,860	245	258	239	2,211	245	257	239	2,283	220
Grand total, appropriations and limitations	32,651	31,523	31,593	244,303	33,260	32,079	32,321	261,715	33,210	32,081	32,348	271,014	31,391

Summary of personnel compensation

[In thousands of dollars]

	1963 actual	1964 estimate	1965 estimate	1965 increase (+) or decrease (−) over 1964	
				Amount	Percent
Permanent positions	226,676	241,395	250,637	+9,242	+3.83
Positions other than permanent	1,911	1,967	2,074	+107	+5.44
Other personnel compensation	14,820	17,504	17,209	−295	−1.69
Fees	883	825	1,065	+240	+29.09
Excess of annual leave earned over leave taken	13	24	29	+5	+20.83
Total	244,303	261,715	271,014	+9,299	+3.55

Summary of obligations by objects

[In thousands of dollars]

		1963 actual	1964 estimate	1965 estimate	1965 increase (+) or decrease (−) over 1964	
					Amount	Percent
11	Personnel compensation	244,303	261,715	271,014	+9,299	+3.55
12	Personnel benefits	17,688	18,699	19,344	+645	+3.45
21	Travel and transportation of persons	14,243	13,840	14,615	+775	+5.60
22	Transportation of things	1,688	1,720	1,697	−23	−1.34
23	Rent, communications, and utilities	7,475	7,807	8,347	+540	+6.92
24	Printing and reproduction	1,985	1,958	2,064	+106	+5.41
25	Other services	9,902	9,959	11,043	+1,084	+10.88
26	Supplies and materials	13,772	13,892	13,938	+46	+.33
31	Equipment	6,014	7,938	7,650	−288	−3.63
32	Lands and structures	6,397	8,011	20,898	+12,887	+160.87
41	Grants, subsidies, and contributions	204	202	203	+1	+.50
42	Insurance claims and indemnities	73	69	86	+17	+24.64
44	Refunds	29	29	29		
	Unvouchered	55	70	70		
	Deduct quarters and subsistence charges	−487	−493	−533	−40	+8.11
	Total program costs	323,341	345,416	370,465	+25,049	+7.25
	Change in selected resources	−3,059	2,112	625	−1,487	−70.41
	Property transferred in without charge	−104				
	Total obligations	320,178	347,528	371,090	+23,562	+6.78
	Transferred to "General Services Administration"	73	138		−138	−100.00
	Advances and reimbursements from other accounts	−50	−50	−50		
	Unobligated balances:					
	Brought forward [1]	−1,632	−1,957	−1,030	+927	+52.63
	Carried forward [1]	1,957	1,030	998	−32	−3.11
	Lapsing	532				
	Appropriation or estimate	321,058	346,689	371,008	+24,319	+7.01

[1] Buildings and facilities, Federal Prison System (no year appropriation).

Mr. ROONEY. It may be noted that no new permanent positions are requested and that, as a matter of fact, there is a decrease in number of permanent positions to the extent of 50. Is that correct?

Mr. ANDRETTA. That is correct.

Mr. Attorney General, what is your pleasure with regard to your prepared statement?

Mr. KENNEDY. Shall I read it, Mr. Chairman?

Mr. ROONEY. If you prefer.

Mr. KENNEDY. I will be glad to move along as quickly as possible. I appreciate your putting this on for now.

Mr. ROONEY. Not at all. You may proceed.

STATEMENT OF THE ATTORNEY GENERAL

Mr. KENNEDY. The budget I have come to discuss with you today is little changed from last year's, except for those increases necessary to pay for construction and to meet mandatory requirements. While the workload of the Department of Justice continued to increase substantially during 1963, we are trying to meet this growing responsibility without asking for new personnel. We are trying to do more work and better work while keeping the bill for legal services rendered as low as possible.

For example, Criminal Division attorneys spent three times as many days in court last year as in 1961 and twice as many as in 1962. We have intensified our organized crime efforts, in particular, and the number of racketeering convictions increased from 138 in 1962 to 308 in 1963.

To take another example, I am particularly proud of the work of the Lands Division. Despite a 15-percent increase in new cases, the Division disposed of a record number of cases—and has voluntarily requested a $200,000 budget cut and a 10-percent personnel cut for fiscal year 1965.

In accordance with the President's economy program, we are not now asking for new personnel. But plainly, our workload continues to increase. If the comprehensive civil rights bill is enacted—and I hope deeply that it is—we will have to come back to this committee for additional funds and personnel at the appropriate time.

But in the meantime, I am pleased to report to you that in the past year the men and women of the Department of Justice have done their work efficiently, economically, and well. The heads of each division and bureau are testifying in detail. Let me now simply provide a review of their activities.

CRIMINAL DIVISION

ORGANIZED CRIME

The work of the Federal law enforcement agencies, coordinated in the Criminal Division, has resulted in the conviction of racketeers who had long corrupted their communities. This action also has stimulated new law enforcement vigor at State and local levels.

Racketeering indictments, which almost tripled from 1961 to 1962, doubled again in the past year. What is even more significant, so did convictions.

The past year also was significant because of events which helped make unmistakably clear to the American public the need for our concerted effort against organized crime. The information provided by former members and from other sources about Cosa Nostra, the secret hierarchy of nationwide crime, is one of the most significant developments in the field of law enforcement in recent years. The FBI, the Bureau of Narcotics, other Federal agencies, and a number of local law enforcement agencies will continue to profit from it for many months.

Partially as the result of such information, Federal grand juries have indicted a number of persons we know or believe to be Cosa Nostra figures. This information also is helping to develop other criminal cases—and to assist local law enforcement officers in doing so.

The coordination of the antiracketeering efforts of the 26 Federal investigative agencies has been improved. Pooling investigative resources in the Intelligence Unit of the Criminal Division's Organized Crime Section has provided a base for joint investigations, arrests, and raids and permitted these agencies to improve on their already outstanding individual efforts.

As the committee knows. the impact of organized crime is not felt only in the underworld and its greatest price is not that paid in dollars. The most serious harm is that all too often racketeers immunize themselves from local law enforcement by bribery or extortion of public officials.

For this reason, we have put high priority on investigations and cases involving public corruption. Investigations are underway in a number of communities and during the past year we have brought several cases, now pending, involving mayors, a police chief, sheriffs, and other city and local officials.

Similarly, we have sought to be vigilant against the betrayal of trust to union members by labor or management representatives.

Increasingly, racketeers are infiltrating legitimate business, whether merely through corporations designed to give them a respectable "front," or through stock fraud, loan sharking, or planned fraudulent bankruptcy, an activity which appears to be increasing sharply.

Whatever our success has been, however, the principal lesson of this effort is that the job ahead is great: to control and curtail the corrosive effects of racketeering on American life.

OTHER AREAS

The Criminal Division's cooperative action against mail fraud and obscenity with the Post Office Department has resulted in increased results in both fields.

There were prosecutions in 24 States for violations of the securities acts, administered by the Securities and Exchange Commission. For example, we secured convictions in the southern district of New York in the *United Dye & Chemical Corp. Stock Fraud* case after a trial lasting almost a full year.

In 1963, as in 1962, we experienced a sharp increase in the sale by mail of nearly worthless land for greatly inflated prices. While most land developments are conducted honestly, thousands of purchasers have been taken in by unscrupulous promoters, particularly aging couples looking forward to retirement. The Criminal Division has prosecuted a number of such schemes.

CIVIL RIGHTS DIVISION

Despite the great demands imposed on the Civil Rights Division by a year of widespread racial turmoil, the Division does not now request funds for any new personnel or activity. However, I should note again that passage of the pending civil rights bill would require additional personnel and funds.

INCREASED TRAVEL

While we are not asking for additional personnel at this time, it is necessary for us to seek an increase of $61,000 for travel expenses, both for existing needs and for already authorized new personnel.

I believe the events of 1963 made clear the importance of the presence of Civil Rights Division officials in troubled areas. As racial problems flared into demonstrations and violence, the Department sought to provide all Federal assistance possible toward the peaceful solution of critical situations in Birmingham; Jackson, Miss.; Danville, Va.; Cambridge, Md., and elsewhere.

The effort in all these instances was to promote interracial communication at the local level and to move protest from the streets into the conference room. The efforts of Assistant Attorney General Burke Marshall in Birmingham deserves particular credit.

These efforts only add to the travel requirements of the Division. Civil rights attorneys are continually involved in distant investigations and prosecutions.

Such activity keeps them away from their homes for weeks at a time. In the last 6 months of 1963, the 30 civil rights attorneys involved in litigation spent a total of 1,283 days on the road—an average of nearly a month and a half each.

But this travel is necessary in bringing cases which are very important to thousands of American citizens—particularly in seeking to end discrimination in voting.

It has been the consistent policy of this administration, in voting and all other areas of civil rights, to attempt to fulfill that responsibility through voluntary action. We seek to consult with local officials to call their attention to practices which may be illegal and to secure their voluntary compliance with the law. Under this policy, court action is taken only when we are unable to secure voluntary compliance.

This policy continued to be effective and was responsible for favorable results in several counties where Negroes were deprived of the right to register and vote freely.

SUITS FILED

Where such voluntary action was not possible, the Department brought suit under the Civil Rights Acts of 1957 and 1960. Twenty-three such suits were filed in 1963 alone, bringing the total to 58 cases. So far, the Civil Rights Division has succeeded in obtaining an end to official discriminatory practices in 18 of these cases.

Of particular significance is the recent ruling of a three-judge Federal district court in *United States* v. *Louisiana*. This suit was filed 2 years ago against the State of Louisiana and the State board of registration. It challenged the constitutionality of State requirements that voter applicants must interpret any section of the State or Federal Constitution to the satisfaction of a registrar.

The court upheld the Government's contention that the purpose of the test was to prevent qualified Negroes from voting, and forbade use of the test as a violation of the 14th and 15th amendments.

A similar major case, filed in August 1962, is pending against the State of Mississippi, the State board of election commissioners, and six county registrars. This case challenges the constitutionality of two amendments to the Mississippi constitution and five statutes dealing with registration requirements and procedures.

The analysis of thousands of voting records in such cases continues to be a formidable but necessary activity. As much as half the legal

staff is involved in analyzing and processing records to some degree and for a number of clerical assistants this is a full-time activity. During the year more than 250,000 records were photographed and more than 200,000 were analyzed.

Mr. ROONEY. They were photographed by the FBI and not by the Civil Rights Division?

Mr. KENNEDY. That is correct. When I talk about photographing, I really mean—the whole process of obtaining the records, deciding which records should be obtained and analyzing the records. The photographing is more of a mechanical matter. It is just taking a picture of the records. All the rest of it is what I had in mind when I made this point.

SCHOOL DESEGREGATION

In the field of school desegregation, as in the field of voting, the Civil Rights Division has followed the policy of meeting informally with local officials to offer all possible assistance toward peaceful and orderly desegregation.

In September 1963, 170 public school districts in the Southern and border States were desegregated for the first time, the largest number in any year since 1956. As in the past 2 years, virtually all were desegregated without the slightest violence or disorder.

The Department made every effort to secure voluntary compliance with court orders requiring the admission of two Negro students to the summer session at the University of Alabama. Only when such compliance could not be secured was President Kenendy required to federalize and use the National Guard to protect the integrity of Federal court orders.

This incident alone required the continuing attention of a number of Division lawyers for some time. Similar incidents occurred in four school districts in Alabama in September 1963.

DESEGREGATION OF TRANSPORTATION FACILITIES

Great progress can be reported in the field of transportation. Most segregated bus and railroad stations were desegregated without incident in 1961 and 1962 in compliance with ICC regulations requested by this Division. At the present time we know of no rail, bus, or air terminal in the United States in which the facilities are designated for separate use upon the basis of race or color.

However, continuing complaints of sporadic official or unofficial enforcement of segregation require investigation and action from time to time.

TAX DIVISION

Despite a 25-percent increase in new cases in the past year alone, the Tax Division secured 28 percent more tax fraud convictions than last year and reduced the average time needed to close a tax case to an all-time low.

The Division set new records in savings and recoveries. Peak business activity, a steady increase in the number of returns filed and particularly, the intensified audit program of the Internal Revenue Service, made likely even greater increases in the amount of new litigation.

CIVIL DIVISION

The Civil Division disposed of 5.5 percent more cases than in 1962, achieving a record high in this category, and reduced the number of cases pending by 10 percent. This increase was achieved with the same manpower as in 1962. The cases closed involved claims by and against the Government totaling more than $365 million.

Personal injury and property damage suits against the Government accounted for a substantial part of the increased volume of litigation in 1963. Over 1,600 such cases were filed under the Federal Tort Claims Act.

During 1963, the Division reduced the number of pending cases by 10 percent, from 15,634 to 14,057. This reduction was achieved despite the fact that during the year, a record 9,546 new cases were received involving $486 million.

LANDS DIVISION

A record number of cases were disposed of in 1963 and yet the Lands Division has voluntarily requested a $200,000 budget cut and a 10-percent decrease in personnel for fiscal 1965.

New cases received and cases closed both increased by about 15 percent. Money recovered for the United States in litigation totaled more than $7.2 million, nearly twice as much as any year since 1944, and more than the 6 preceding years combined.

New tracts received for condemnation or title opinions were up 11.5 percent and the number of tracts closed was 37 percent higher than 1962. The number of condemnation tracts pending in Federal courts dropped below 20,000, the lowest figure in 20 years.

I might say in that connection that in January 1961 it was the highest it had ever been, up to 37,000.

During 1963, the number of cases settled by the Indian Claims Section and the amount of money involved were greater than for all of the previous 15 years since the Indian Claims Commission was established.

Such accomplishments in these three divisions stem in part from new administration procedures. The Tax Division, for example has worked with Federal courts to set up separate tax dockets, which save time and money for both sides in tax suits. The Lands Division has established a special committee which seeks economies. It devised, for example, a form which will save individual typing of 20,000 legal documents.

ANTITRUST DIVISION

During 1963, the Division filed 62 antitrust cases and terminated 88. Closings reached an alltime high and were almost three times the number terminated during 1962.

The Division initiated 376 investigations of all types during 1963, a record total, and 355 such investigations were closed during the year.

Mr. ROONEY. There were 442 in the previous year.

Mr. KENNEDY. Fines and recoveries in antitrust cases, including the damage actions growing out of the heavy electrical equipment cases, totaled almost $10 million.

The Antitrust Division is cooperating fully in the efforts of State and local governments to recover damages from members of the heavy electrical equipment industry as well as in the implementation of the identical bid program established under Executive Order 10936. Members of the staff also have worked closely with the Department of State in connection with the Organization for Economic Cooperation and Development.

INTERNAL SECURITY DIVISION

During 1963, the Internal Security Division continued to act against the continued threat of espionage by Soviet diplomatic personnel in this country. In one case, the Division secured the conviction of a U.S. sailor.

(Discussion off the record.)

Another case now awaiting trial involves a Russian man and a still unidentified woman who adopted the identities of two unsuspecting American citizens and conspired with a Soviet United Nations employee and his wife to transmit defense information to the Soviet Union.

Such prosecutions are possible because of the continued vigilance and the extraordinary ability of the FBI.

The Internal Security Division took action during the past year to enforce the State Department regulation forbidding unauthorized travel to Cuba. Five persons were indicted for violating this regulation, four of them involved in a mass trip by some 58 American citizens.

During the year, the Division brought action against 23 more persons before the Subversive Activities Control Board.

We have asked the court for rehearing.

U.S. ATTORNEYS AND MARSHALS

These offices, in 92 judicial districts, are the fountainhead of Federal law enforcement and of protection for the interests of the United States in the courts.

The volume of most of their work is uncontrollable and they must handle all cases and complaints, coming from various Government agencies and the public.

Except for some increases to keep pace with the recent additions of new Federal judges, the staffs of most of these offices have been virtually unchanged for many years despite large increases in work.

For example, the marshals' offices have fewer persons today than they had 40 years ago despite a tremendous increase in work during that period. This illustrates what has been done with better management and utilization of personnel.

Marshals' earnings from services for private litigants, together with the fines, forfeitures, and recoveries made by the U.S. attorneys' offices bring in $3 for every $1 spent to operate these offices.

IMMIGRATION AND NATURALIZATION SERVICE

Commissioner Farrell reduced the number of positions in the service by 122 last year and in fiscal 1964 he was able to make a further reduction.

Thus, although service workloads continue to increase and personnel have been reduced by 140 in 2 years, the 1965 budget contains no additional positions.

I might say, Mr. Chairman, that I consider Commissioner Farrell one of the outstanding figures within the Department of Justice and the Government generally.

Inspection activity increased substantially during 1963. The admission of aliens, other than short-term border crossers, during fiscal 1963 increased about 5 percent and the number of passenger arrivals by sea increased approximately 9 percent over fiscal 1962.

Again, if Mr. Farrell comes up, I would hope you would have an opportunity——

Mr. ROONEY. We heard him yesterday.

Mr. KENNEDY (continuing). To go into the procedures he has established for people coming in which have revolutionized the whole system of welcoming people to the United States. I think it has made a real difference.

Mr. ROONEY. It was only a week ago, was it not, that the President congratulated you and Commissioner Farrell with regard to revised immigation procedures; am I correct?

Mr. ANDRETTA. Yes, sir; the Attorney General was out of the country.

Mr. ROONEY. You were out of the country.

Mr. KENNEDY. You should have sent it to me.

Public Law 87–885, passed in October 1962, produced some workload increases. Applications for a change of status from a nonimmigrant to that of an immigrant increased 30 percent.

Mr. ROONEY. Now, if we can only get a good and fair immigration bill?

Mr. KENNEDY, Yes.

Mr. ROONEY. That is not going to be easy.

Mr. KENNEDY. No.

Mr. ROONEY. But it should be.

Mr. KENNEDY. It really should.

The number of visa petitions completed by the Service increased 6 percent in the fiscal year 1963.

One of the more pleasant tasks in the Department is in connection with the naturalization of aliens. Last year 124,400 persons were naturalized.

The Service conducted over 84,000 investigations during fiscal 1963. The results are reflected in the expulsion of a number of racketeers and subversives.

BUREAU OF PRISIONS

HALFWAY HOUSE PROGRAM

The early success I reported to you last year of our halfway house program has heightened during 1963. These prerelease guidance centers now have been in operation long enough for us to conclude that juvenile offenders who spend a few months in a halfway house before their release from Federal custody are three times as likely to stay out of trouble as those released directly from custody.

We now have four halfway houses in operation, in Los Angeles, Chicago, Detroit, and New York City, and they have handled 396 boys, aged 16 to 20, since the program was begun in late 1961.

Of these, only 49—13 percent—have been returned to custody for parole violations.

By contrast, 902, of 1,923 youths—46 percent—of those released directly from custody, were parole violators in 1963. The year was a typical year and the two groups can be considered to be equal as parole risks.

As a result of a decline in juvenile offender population from 1,500 to 1,100 the Federal camp for juvenile delinquents at Natural Bridge, Va., was closed.

DECREASE IN PRISON POPULATION

The total prisoner population dropped for the first time since 1948. The situation alleviated somewhat the serious overcrowding which has plagued us for so many years. The opening of the new penitentiary at Marion in May 1963 helped.

A new detention center was opened at Florence, Ariz., and the prison camp at Donaldson, S.C., was moved to Stewart Air Force Base, Tenn. Both are operating in a highly satisfactory manner.

FEDERAL PRISON INDUSTRIES

Federal Prison Industries had another profitable year. The corporation employs around 5,000 inmates on a full-time basis whose average monthly wages are about $46.

The directors, I understand, plan to declare a dividend payable to the Treasury of about $4 million for the present fiscal year.

FEDERAL BUREAU OF INVESTIGATION

The workload of the FBI continued to increase during the past year and so did the results of that work, but we are not asking for any new positions.

There were more than 12,900 convictions in cases in which the FBI had a hand, compared with 12,813 in 1962.

Approximately 12,000 FBI fugitives were apprehended, compared with 11,690 in 1962.

I have already noted the outstanding work done by the FBI in national security cases. There were similar excellent efforts in our antiracketeering program. The FBI arrested the man charged with murdering a Mississippi civil rights leader and turned him over to State authorities, who have charged him with murder.

The FBI continued its remarkably useful program of cooperation with local law enforcement agencies across the country. During the year, it conducted almost 4,000 local regional police training schools and 196 officers were graduated from 2 sessions of the FBI National Academy, bringing to 4,454 the total number of graduates since the Academy was established in 1935.

In conclusion, Mr. Chairman, I think it is evident that this is a realistic budget which we are submitting and one which guarantees the Government a full return for every dollar spent and one which requests only mandatory increases and expenses.

The fact that we can submit this tight a budget reflects the high character of the men and women employed in the Department of Justice. In submitting this budget, I would pay my respects to them

for the dedicated and loyal service which they are rendering to this Government.

Mr. ROONEY. Thank you, Mr. Attorney General. You and your subordinates in the Department of Justice are to be complimented on the fact that you come before the Congress this year with a budget which requests no additional permanent positions. Of course, we must realize that the President has said that he expects the Congress to look into the budget a little more closely than it has been looked into up to now and would expect that we tighten it up a bit.

How far we can do this in view of the tightness of your budget is something I am not prepared to say at the moment.

Mr. Sikes?

Mr. SIKES. Thank you, Mr. Chairman.

COST OF PROPOSED CIVIL RIGHTS LEGISLATION

Mr. Attorney General, you stated it is not possible to predict the costs of the proposed civil rights legislation.

Mr. KENNEDY. That is a correct statement.

Mr. ROONEY. It has already been predicted here.

Mr. KENNEDY. I think I can give you a tentative figure, $1.5 million. I do not know if that includes the FEPC.

Mr. KATZENBACH. That is within the Department of Justice.

Mr. KENNEDY. Without the FEPC.

Mr. CEDERBERG. That is for only the Justice Department?

Mr. KENNEDY. I was going to add that.

Mr. CEDERBERG. It is about $20 million. I was just looking over some testimony given in the Civil Rights Judiciary Committee and it seemed there was quite a substantial amount.

Mr. KENNEDY. I do not know. I can only talk about the Department of Justice. The estimate, Congressman—and this was 8 months ago—was $1.5 million. I think that was without the FEPC.

Mr. SIKES. Is that contained in this budget?

Mr. KENNEDY. No, sir, it is not.

Mr. SIKES. As the bill now is written, if it were to pass in that form, is there anyone who can predict accurately, within the ballpark, what the cost would be?

Mr. KENNEDY. I think perhaps we could try to come up with an estimate of at least what it would cost the Department of Justice and submit it to the committee. If it is passed in the form it is now in, I am sure we could come up with an estimate, Congressman. Would you like that?

Mr. SIKES. You realize this is a wide-open bill under which, if fully exploited, it would double the work of the Department, do you not?

Mr. KENNEDY. I do not know if I would agree with that estimate or that characterization of the bill.

Mr. SIKES. Mr. Attorney General, in 1961 I recall there was quite a bit of publicity about a Washingtonian who was under serious consideration, according to the newspapers—and I should cross myself when I start quoting some newspapers—he was expected to be a Commissioner. I believe his name was Reeves, a Negro. It was brought out that he had not filed any tax returns for some time and then he was dropped from further consideration.

Do you recall the case?

Mr. KENNEDY. Frank Reeves, yes.

Mr. SIKES. Was he ever prosecuted for failure to file tax returns?

Mr. KENNEDY. As I remember it, it was the District of Columbia. It had nothing to do with Federal taxes. I do not know what the status of the case is, but it did not involve Federal tax returns.

Mr. KATZENBACH. It was a Corporation Counsel, District of Columbia case.

Mr. SIKES. No one knows whether he was——

Mr. KENNEDY. I do not know. It was not within the Department of Justice.

Mr. SIKES. Quite a number of people are prosecuted and convicted for failure to file tax returns and it would be interesting to know why this man is exempt.

Mr. KENNEDY. As I say, it had nothing to do with the Federal Government, Congressman.

WORKLOAD OF LANDS DIVISION

Mr. SIKES. Is the workload of the Lands Division leveling off or dropping? I am not attempting to take away credit from the fact there is a smaller budget. That is very commendable, but I would like to have a picture of the workload.

Mr. KENNEDY. It is increasing.

Mr. ROONEY. You may find it at pages 15–14 and 15–15 of the justification book, Mr. Sikes. We have not as yet heard testimony with regard to the Lands Division but expect to hear it later this morning.

It is the only Division we have not as yet heard.

Mr. SIKES. The gentleman from New York is an expert witness.

Mr. ROONEY. No; I have not given you the workload but say that you will find it on those pages.

Mr. KENNEDY. You will have Mr. Ramsey Clark give you that. Actually it is increasing. He has done an outstanding job.

Mr. SIKES. That is very good.

Mr. KENNEDY. Congressman, he has reorganized the Division. He has brought in a lot of younger people and he just knows everything that is going on in the Division.

You can go through the Division with him and he knows the names of the lawyers and all the cases the individuals are working on. He knows what the facts are and the status of the cases. He is just an outstanding figure who works extremely hard.

Mr. SIKES. That is most commendable.

Mr. KENNEDY. There has been a steady increase——

ANTITRUST CASES AGAINST THE NEWSPAPERS

Mr. SIKES. Is there concern, Mr. Attorney General, in the Antitrust Division that newspapers may be in the category of groups or organizations which are guilty of antitrust activities?

Mr. KENNEDY. We do not consider them immune from antitrust laws, Congressman.

Mr. SIKES. It seems all over the country you are finding newspaper ownerships concentrated into fewer and fewer hands.

Mr. KENNEDY. Yes.

Mr. SIKES. It certainly would appear to me that this is something that may be bad for the country.

Does your Department have any concern about this situation?

Mr. KENNEDY. Yes, we look into them when we have complaints where a particular situation is brought to our attention. If there is a violation of the law, we bring an antitrust case, Congressman. Newspapers are not immune to the antitrust laws. We have looked into a number of situations over a period——

Mr. SIKES. How many antitrust cases have been brought against newspapers? Can you provide that for the record?

Mr. KENNEDY. Yes, I can.

(The requested information follows:)

ANTITRUST DIVISION

Cases against newspapers

Name and action	Date filed	Date terminated
The Associated Press et al., civil (S.D.N.Y.)	Aug. 28, 1942	[1]June 18, 1945
Chattanooga News-Free Press Co. et al., criminal (E.D. Tenn.)	June 13, 1940	[1]Dec. 11, 1940
Harte-Hanks Newspapers, Inc., et al., criminal (N.D. Tex.)	Sept. 10, 1958	[2]Jan. 21, 1959
The Kansas City Star Co. et al., criminal (W.D. Mo.)	Jan. 6, 1953	[1]July 19, 1957
The Kansas City Star Co. et al., civil (W.D. Mo.)	Jan. 6, 1953	[3]Nov. 15, 1957
The Lorain Journal Co. et al., civil (N.D. Ohio)	Sept. 22, 1949	[1]Dec. 11, 1951
The Mansfield Journal Co. et al., civil (N.D. Ohio)	May 31, 1951	[3]Jan. 15, 1952
The Times-Picayune Publishing Co. et al., civil (E.D. La.)	June 14, 1950	[2]May 25, 1953
Wichita Eagle Publishing Co., Inc., et al., civil (D. Kans.)	June 29, 1959	[3]June 29, 1959

[1] Litigated and won.
[2] Litigated and lost.
[3] Consent.

Mr. SIKES. That is all.

Mr. KATZENBACH. May I add to that, Congressman, that this has been a source of concern. It has been a source of concern to the Judiciary Committee here in the House. Mr. Celler started an investigation in that field in which we turned over a great deal of information to him with respect to a number of newspaper mergers. Costs of printing and publication of newspapers have gone up just manifold. This is one of the reasons for this increased competition along with the competition that newspapers are feeling more intensively from other news media. That is the reason for the concentration.

It is sometimes very difficult to find an antitrust offense although one is concerned with the tendency to get more and more into one-newspaper towns.

Mr. SIKES. It has happened all over the country?

Mr. KENNEDY. Yes.

Mr. SIKES. Thank you.

Mr. ROONEY. Mr. Attorney General, we thank you very much for an interesting session.

Please tell us about your trip.

Mr. KENNEDY. What do you want to know?

Mr. ROONEY. Off the record.

(Discussion off the record.)

MONDAY, JANUARY 27, 1964.

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

SALARIES AND EXPENSES, GENERAL ADMINISTRATION

Object classification

[In thousands of dollars]

	1963 actual	1964 estimate	1965 estimate
11 Personnel compensation:			
Permanent positions	3,622	3,861	4,036
Positions other than permanent	41		10
Other personnel compensation	44	28	14
Total personnel compensation	3,707	3,889	4,060
Direct costs:			
11 Personnel compensation	3,661	3,843	4,014
12 Personnel benefits	267	279	291
21 Travel and transportation of persons	97	117	127
22 Transportation of things	1	1	1
23 Rent, communications, and utilities	91	97	98
24 Printing and reproduction	31	46	47
25 Other services	65	70	78
26 Supplies and materials	54	59	59
31 Equipment	133	148	156
Total direct costs	4,400	4,660	4,871
Reimbursable costs:			
11 Personnel compensation	46	46	46
12 Personnel benefits	4	4	4
Total reimbursable costs	50	50	50
Total costs	4,450	4,710	4,921
Change in selected resources	11		
Total obligations	4,461	4,710	4,921

Personnel summary

	1963 actual	1964 estimate	1965 estimate
Total number of permanent positions	568	578	578
Full-time equivalent of other positions	6		1
Average number of all employees	539	543	552
Employees in permanent positions, end of year	542	542	548
Employees in other positions, end of year	16	22	16
Average GS grade	6.9	7.0	7.0
Average GS salary	$6,921	$7,313	$7,417

Mr. ROONEY. The first of the items is entitled "Salaries and expenses, general administration." This is to be found at page 71 of the committee print, and under tab 2 of the justifications.

We shall at this point in the record insert pages 2–1 and 2–2 from the justifications book.

(The pages follow:)

Summary analysis of estimate

	Thousands
Appropriated, 1964	$4,660
Estimate for 1965	4,871
Increase, 1965 over 1964	211

Analysis by activities

Office or activity	1964 requirements	Decreases	Increases	1965 estimate
Attorney General	$276,000	$700	$21,200	$296,500
Deputy Attorney General	622,000	1,900	19,900	640,000
Pardon Attorney	82,000	240	8,340	90,100
Board of Parole	518,000	1,750	30,550	546,800
Board of Immigration Appeals	304,000	1,000	13,000	316,000
Library	280,000	500	14,600	294,100
Administrative Division	2,628,000	8,100	118,100	2,738,000
Subtotal	4,710,000	14,190	225,690	4,921,500
Less reimbursements, Office of Alien Property	−50,000			−50,000
Total direct obligations	4,660,000	14,190	225,690	4,871,500

GENERAL STATEMENT

This appropriation finances the cost of overall executive direction and administration of the Department of Justice. It also provides funds to support the activities of the Office of the Pardon Attorney, the Board of Immigration Appeals, and the Board of Parole.

The following activities are covered by this item:

Executive direction:
- Office of Attorney General.
- Office of Deputy Attorney General.

Administrative reviews and appeals:
- Office of Pardon Attorney.
- Board of Parole.
- Board of Immigration Appeals.

Administrative services:
- Administrative Division.
- Library.

The amount requested for 1965 provides for the additional cost in that year of the 1962 Pay Act increases and other statutory personnel costs. Funds are also included to maintain the Attorney General's authorized staff at full strength and to permit a slight increase in average employment within currently authorized positions, in the Administrative Division to handle steadily rising workloads.

INCREASES REQUESTED

Mr. ROONEY. These pages indicate that the request is in the amount $4,871,000, which would be an increase of $211,000 over the amount appropriated in the current fiscal year.

OFFICE OF THE ATTORNEY GENERAL

WITNESSES

NICHOLAS deB. KATZENBACH, DEPUTY ATTORNEY GENERAL
S. A. ANDRETTA, ADMINISTRATIVE ASSISTANT ATTORNEY GENERAL
J. C. BROWN, CHIEF, BUDGET AND ACCOUNTS OFFICE

Mr. ROONEY. The first of the subitems by activities is entitled, "Office of the Attorney General." The particulars in regard thereto are to be found under tab 3 of the justifications book, which page we shall insert at this point in the record, together with pages 3–2 through 3–4.

(The pages follow:)

Office of the Attorney General

Appropriation, 1964	$276,000
Estimate, 1965	296,500
Increase	20,500

The Attorney General is the Cabinet officer in charge of the Department of Justice and the chief law officer of the Federal Government. Upon request he gives legal advice and opinions to the President and heads of the executive departments of the Government. The Executive Assistant to the Attorney General and the Director of Public Information are attached to the Office of the Attorney General and report directly to the Attorney General.

AMOUNT REQUESTED

The amount of $276,000 is currently available to support the activities of the immediate Office of the Attorney General. It is estimated that $296,500 or $20,500 additional will be required in 1965 to support the constantly increasing demands upon the Attorney General and his staff.

The 1965 estimates include the following increases:

Costs due to statutory provisions:	
1965 costs under 1962 Pay Act (Public Law 87–793):	
Annualization of schedule II increases effective Jan. 5, 1964	$3,100
Step increases due in fiscal year 1965	3,700
Savings due to 1 less compensable day in 1965	−700
Personnel benefits related to above	400
Total	6,500
Costs due to heavier workload:	
Temporary consultants and experts	10,000
Increase in contractual services	4,000
Total	14,000
Total increase	20,500

GENERAL STATEMENT

The Attorney General is providing personal and vigorous leadership in the Government's campaign to insure the civil rights of all its citizens in addition to continuing the intensified efforts in the fields of organized crime and racketeering, and in antitrust matters.

The number of serious problems arising in the civil rights area alone places a staggering burden upon this Office. Crises develop almost daily, many of which require the personal intervention of the Attorney General or one of his principal aids.

The regular staff of the Office is taxed beyond capacity and additional support has been provided by employing temporary experts and consultants with special skills in these matters. While this has proved effective and many critical problems have been resolved it has severely strained the limited budget of this Office.

The need for the additional help continues and in order to avoid permanently enlarging the office it is requested that $10,000 be provided to cover the employment of temporary assistants in 1965.

In addition an increase of $4,000 is needed to meet the current demands for contractual services (mainly fees for news services) which have multiplied in relation to the activities referred to above.

Provision must also be made in the estimates for 1965 for the cost of statutory increments in the salaries and related benefits of employees.

Mr. ROONEY. The request for the Office of the Attorney General is in the amount of $296,500, which would be an increase of $20,500 over the amount appropriated in the current fiscal year.

The requested increases are set forth at page 3–3 of the justifications. It would appear there that $6,500 of the $20,500 requested increase is for mandatory costs, statutory costs. Is that correct?

Mr. ANDRETTA. That is correct.

TEMPORARY CONSULTANTS AND EXPERTS

Mr. ROONEY. You have, in addition to that, $14,000 for temporary consultants and experts and an increase in contractual services. What about that?

Mr. ANDRETTA. $10,000 of that $14,000 is for lapse adjustment in the Attorney General's Office to take care of temporary employment of consultants or experts, mostly in the Office of Public Information. We have only two men in that office in the top category, the Director and Assistant Director of Public Information. The third position which we have in grade 14 has been vacant for some time and, rather than fill that position, Mr. Guthman thinks he could do better by bringing in people on a consultant basis to give them a lift whenever they have a peakload.

Mr. ROONEY. How much do you now have for temporary consultants and experts in this area?

Mr. ANDRETTA. I do not think we have anything, Mr. Chairman. I have had to make funds available from the general appropriation here to the Attorney General's Office whenever they had need for such services.

Inasmuch as we are tightening up on the whole "General administration" appropriation, we will not have the funds available to transfer to these smaller offices that we have had in the past. Therefore, we have to fill it in with this $10,000.

Mr. ROONEY. This is a new idea, is that correct?

Mr. ANDRETTA. Yes, sir.

CONTRACTUAL SERVICES

Mr. ROONEY. What is the explanation of the requested increase of $4,000 for contractual services?

Mr. ANDRETTA. The $4,000 for "Other services" is to bring it up to the level of our expenditures in the past year. This includes lease of news ticker services, purchase of news publications, and all the other miscellaneous expenses having to do with the operation of the Attorney General's Office.

Mr. ROONEY. How much do you presently have?

Mr. ANDRETTA. This year we have $7,000, and we are asking for $11,000. Last year we spent $10,857, which made a deficit of $4,000, and the funds had to be found somewhere else.

Mr. ROONEY. This $4,000 is mainly for fees for news services, is it?

Mr. ANDRETTA. A good part of it.

Mr. ROONEY. What do you mean by that?

Mr. ANDRETTA. News and clipping services and ticker services and special items like that.

Mr. BROWN. AP ticker service and UP ticker service.

Mr. ANDRETTA. On a rental basis.

Mr. ROONEY. In effect, this would be a $14,000 buildup in Mr. Guthman's area. Is that about it?

Mr. ANDRETTA. That is about it.

CONSULTANTS EMPLOYED IN 1963

Mr. BOW. I take it from what you had to say that you have hired some temporary experts and consultants in the past year.

Mr. ANDRETTA. Yes, sir.

Mr. BOW. Have you a list of those consultants and experts?

Mr. ANDRETTA. I could give it to you, Mr. Bow, for the record. I think there were only two or three.

Mr. BOW. Will you furnish that for the record?

Mr. ANDRETTA. Yes.

Mr. BOW. And state the field in which they operate and the costs.

Mr. ANDRETTA. Yes, sir.

Mr. BOW. What you paid them.

Mr. ANDRETTA. Yes.

(The requested information follows:)

Name	Cost	Duties
Frank Holeman	$3,300	Performed duties of general public information specialist and press relations work.
Richard Yates	600	Civil rights matters.
E. Barrett Prettyman, Jr.	708	Study and report on interagency transportation mergers.
Total	4,608	

Mr. BOW. Have you now in mind any particular temporary experts and consultants that you intend to employ with this $10,000?

Mr. ANDRETTA. No, except that rather than fill that third job which would cost us about $14,000, he thinks he can operate on this basis of bringing in people with special skills on certain matters that come up from time to time.

Mr. BOW. What particular types of skill is this?

Mr. ANDRETTA. Mostly in the area of public information and specialization in handling newsmen, TV, and radio people.

Mr. BOW. This entire item has to do with civil rights, I take it?

Mr. ANDRETTA. Not all—you mean in this particular place? A good part of the work does arise from the civil rights problems——

Mr. BOW. I take from this justification that it is a civil rights problem.

Mr. ANDRETTA. That is what made the problem in the office very acute, the public interest in civil rights.

LIMIT ON COMPENSATION

Mr. BOW. Is there any ceiling on what you can pay these temporary experts and consultants?

Mr. ANDRETTA. Yes; $75 a day.

Mr. BOW. That is all, Mr. Chairman.

Mr. ROONEY. Mr. Cederberg?

Mr. CEDERBERG. Are all these positions currently filled?

Mr. ANDRETTA. All except that one position in the Public Information Office.

AMOUNT ORIGINALLY REQUESTED OF BUREAU OF BUDGET

Mr. CEDERBERG. What did you originally ask of the Bureau of the Budget for this item?

Mr. BROWN. The same amount. There was no cut.

Mr. CEDERBERG. No change in this item?

Mr. BROWN. No change in this item.

Mr. CEDERBERG. That is all I have, Mr. Chairman.

OFFICE OF THE DEPUTY ATTORNEY GENERAL

WITNESS

NICHOLAS deB. KATZENBACH, DEPUTY ATTORNEY GENERAL

Mr. ROONEY. The next item, gentlemen, is entitled "Office of the Deputy Attorney General," and is to be found under tab 4 of the justifications, at page 4–1, which, together with pages 4–2 through 4–6, we shall insert at this point in the record.

(The pages follow:)

Office of the Deputy Attorney General

Appropriation, 1964	$622,000
Estimate, 1965	640,000
Increase	18,000

The Deputy Attorney General as the second ranking officer of the Department assists the Attorney General in the overall supervision and direction of the Department, including coordination of the activities of the departmental divisions and other units. In the absence of the Attorney General, he is the Acting Attorney General.

This office handles all legislative matters and is the Department's chief liaison with the Congress and State and Federal departments and agencies. It formulates or approves departmental policies and programs, and oversees their execution; prepares, for the consideration of the Attorney General, recommendations for Presidential appointments to judicial positions and positions with the Department; and handles the recruitment and appointment of attorneys. The executive offices for U.S. attorneys and U.S. marshals are part of this office.

Legislative proposals of the Department of Justice are drafted and cleared as are reports and recommendations relative to pending legislation originating elsewhere in the Government.

AMOUNT REQUESTED

It is estimated that an appropriation of $640,000 will be required for this office for the fiscal year 1965. This is an increase over 1964 of $18,000 all of which is needed to implement statutory provisions relating to employees' compensation, as follows:

Cost of statutory provisions:

Additional costs under 1963 Pay Act (Public Law 87–793):	
Annualization of schedule II increases effective Jan. 5, 1964	$10,200
Step increases due in fiscal year 1965	8,500
Savings due to 1 less compensable day in 1965	−1,900
Personnel benefits related to above	1,200
Total increase	18,000

The upward trend in the workload of this office in recent years continues. Requests from congressional committees, the Bureau of the Budget, and miscellaneous sources on legislative proposals and bills introduced continue in great numbers. As of August 31, 1963, the Department has received 994 requests for comment on public legislation and 70 requests on private legislation for a total of 1,064. In addition, the volume of inquiries received from individual Members of Congress and the public continues to soar.

The Executive Office for U.S. Attorneys during fiscal year 1963 has been primarily concerned with the continuing drive to reduce the heavy load of pending cases in the attorney's offices. As a result of the monthly analyses and close observation of the caseload by the Executive Office, the U.S. attorneys established recordbreaking highs in work production during the year. Attorneys from the Executive Office visited and examined 54 U.S. attorneys' offices during fiscal 1963 to render operational assistance and advice, and reports on such examinations were forwarded to the U.S. attorneys. During the year the Executive Office processed 158 appointments and 112 resignations of assistant U.S. attorneys. All planning and arrangements for the annual conference of U.S. attorneys, held in Washington on October 9–10, 1962, were handled by the Executive Office, which also edited and published during the year the U.S. Attorneys Manual, and the annual report of the Attorney General.

The Executive Office for U.S. Marshals is striving to improve the effectiveness of the marshals service. Emergency situations continue to arise in connection with organized crime and civil rights issues. In meeting these problems, staff members were sent to various areas to coordinate and direct operations and to supervise the deputy marshals assigned to assist. Staff members plan and supervise training programs conducted for field personnel covering both management and operational procedures and practices. Travel incident to attending training is, whenever possible, combined with transportation of prisoners to minimize expenses.

Workload data

Congress	Reports on bills [1]		
	Public	Private	Total
79th	736	302	1,038
80th	983	656	1,639
81st	1,038	688	1,726
82d	945	498	1,443
83d	1,090	227	1,317
84th	1,223	167	1,390
85th	1,225	224	1,449
86th	1,395	151	1,546
87th	1,795	161	1,956
88th (1st sess. through Dec. 30, 1963)	788	91	879

[1] Exclusive of requests disposed of other than by report to a congressional committee or the Bureau of the Budget through 86th Cong.

Mr. ROONEY. It is indicated that there is a requested increase of $18,000 for this office, which would make the requested appropriation in the amount $640,000.

The requested increases are set forth at page 4–3. What about these?

Mr. KATZENBACH. These are all mandatory increases, Mr. Chairman.

SUMMARIZATION OF OVERALL BUDGET REQUEST

Mr. ROONEY. While we are waiting for Mr. Reed Cozart, the pardon attorney, it occurs to us that you may wish to address the committee with regard to this requested overall budget, Mr. Katzenbach. Is that the fact?

Mr. KATZENBACH. Yes; if I could say a few words in the absence of the Attorney General.

You have made one point, Mr. Chairman, which I would emphasize, and that is that we are not asking for new personnel. In fact, it is going down. I would add a caveat to that in this direction: Should the civil rights legislation which is pending before Congress, which would be new legislation, be passed, then I would suppose it would be necessary for us to come in for a supplemental in that regard.

This budget does not anticipate the passage of that legislation in the figures that we have given here. Of course, the form in which that legislation is passed and what is required would vary the figures that we would ask. I would like to call your attention to that point.

ESTIMATED COST OF NEW CIVIL RIGHTS LEGISLATION

Mr. ROONEY. Can you indicate to us what might be the cost of the administration's proposal in regard to civil rights insofar as the Department of Justice is concerned?

Mr. KATZENBACH. About a million and a half, Mr. Chairman.

Mr. ROONEY. What would that be for?

Mr. KATZENBACH. That would be for personnel in the Civil Rights Division and the related expenses to that, but the bulk of it would be for additional personnel in that Division.

BREAKDOWN OF REQUESTED INCREASES

The second point I would like to make, of the total budget, a bird's-eye view of its breaks down in this way: Of the $24 million that we are asking for, $24,239,000, just under $7 million is statutory, about $1.7 million is for other personnel costs, almost $4 million is for anticipated additional costs other than personnel costs, and the remainder, over $11 million, is construction with the respect to the prisons program. That may give you a rough idea as you run through it as to where the increases are. A little over a quarter is for mandatory increases, and about one-half is for the construction program.

The other point that I would make, and the Attorney General, I am sure, will elaborate on it, is that in virtually every division of the Service there has been an increase in productivity; that is, more cases have come in, more cases have been disposed of, and the backlog has been cut down.

This has been particularly true in the Lands Division, the Civil Division, and the Tax Division. I think those divisions have as outstanding records in this past year as have ever been had within the Department of Justice. The Lands Division has once again actually accomplished more while cutting its costs. The Tax Division, with an increase of work, with a very minor increase in personnel which was allowed in the last budget, has greatly increased its productivity. The Civil Division has made considerable inroads into its backlog of cases, particularly in the older cases within that division.

They have all agreed, in those three divisions, to hold the line, despite anticipated increase in workloads.

PRODUCTIVITY STATISTICS

Mr. ROONEY. These sound like better statistics than usual.

Mr. KATZENBACH. I think they are better statistics than usual, but of course there is always some difference of opinion on that, Mr. Chairman. To my knowledge, there are no statistical changes or tricks in this.

Mr. ANDRETTA. It is a double-edged sword.

Mr. KATZENBACH. I realize that, but I would say at one point in the last year Mr. Andretta spoke to me and told me he was concerned about the morale within the Tax Division because these people were working at such a pace he was concerned that there would be a bustup in some way.

I think it has been tightly run within that division.

As far as statistics are concerned, I would emphasize now the extent to which we are making progress in the Criminal Division in the organized crime field. Those statistics were recently published in connection with the Attorney General's report to the President. It justifies the new legislation, and not merely in terms of new indictments, but in terms of new convictions.

I found those statistics very surprising, because I really had not believed we had made this much progress. There is still a great deal to be done, but in terms of assessing whether or not the increases that we have had in the division as a result of the new legislation have been worth while, I would say the statistics in terms of indictments and convictions within the organized crime field would speak for themselves as a justification.

AMOUNT OF ORIGINAL BUDGET REQUEST

That is all I have to say in a general way, Mr. Chairman, except for the fact that President Kennedy had asked for an extremely tight budget, and we have attempted to submit to the Bureau of the Budget an extremely tight budget.

Mr. ROONEY. This might be a good point to inquire about the amount of the budget originally proposed when you firmed it up in the Department.

Mr. KATZENBACH. Yes, sir.

Mr. ANDRETTA. Actually, in May we had a preliminary estimate.

Mr. ROONEY. What was the amount of that estimate?

Mr. BROWN. $374,300,000.

Mr. ROONEY. What was the amount determined by the Bureau of the Budget originally?

Mr. ANDRETTA. The budget allocation was $371 million, originally.

Mr. ROONEY. And the final figure after the recent go-around with the President?

Mr. ANDRETTA. $368,138,000.

Mr. BROWN. That is correct.

Mr. KATZENBACH. This might be added: We had asked for very modest amounts of new personnel in civil rights and in the Tax Division. Mr. Oberdorfer said he would make an effort this year, despite

the fact that he is going to have many more referrals as a result of the mechanization of the tax process in Internal Revenue, he would attempt to hold it this year.

ILL-ADVISED LEAKS TO THE PRESS

Mr. ROONEY. By the way, if we were to allow that $14,000 increase in the Office of the Attorney General, would we be confronted with the same sort of abracadabra as in the 1964 bill when somebody down there called in some New York Times newspaperman and gave him a cock-and-bull story about the Civil Rights Division?

Mr. ANDRETTA. I do not think——

Mr. ROONEY. You know what I am talking about?

Mr. KATZENBACH. I know what you are talking about, Mr. Chairman. That story should not have been published. It did not come out as public information but it came from a misunderstanding of the budget and of the arrangement which the reporter himself came up with. This was an article by Mr. Lewis. He came up with this. He was persuaded that it was true and some of the people did not understand the budget at the lower echelons whom he talked to who said that was right.

On the basis of that, he wrote the story. I spoke to him subsequent to that about it and I think you will find stories he wrote after this were somewhat different in tone than the story to which you have reference.

The increase there has nothing really to do with that.

Mr. Chairman, before the article appeared, that is really where it got started and then it got confirmed by some of the attorneys who did not understand that.

Mr. ROONEY. The increase of $14,000 might prevent repetition of such an event?

Mr. ANDRETTA. Yes; it would.

We have only two people there that a reporter can go to for information. Because this happened over a weekend, he did not get the correct budget figures.

Mr. KATZENBACH. He got me afterward and in his next story on that item he retreated considerably from the position that he had taken.

PUBLIC INFORMATION OFFICERS

I would point out, or just reemphasize what Mr. Andretta said, Mr. Chairman, that there is another job in that office that has not been filled. We have found it is not really necessary to have three people there all the time but we do run into peaks. This is related, as Mr. Bow said, to civil rights. We get into a real crisis——

Mr. ROONEY. Such as when you had the civil rights case in Oxford, Miss., and the one down in Alabama?

Mr. KATZENBACH. That is right.

Mr. ROONEY. You seemed to be able to handle those fairly well.

Mr. KATZENBACH. One of the problems is as you pointed out. In both of those instances, we did have somebody and what happens

when that occurs—and I can speak from some personal experience on this—I would not dare go down to Mississippi and that kind of a thing or to Birmingham or any other place without a public information officer. When you have got 150 national press around, there simply has got to be somebody who knows how to handle them.

Mr. Chairman, perhaps this should be off the record.

(Discussion off the record.)

Mr. ROONEY. Do you have anything further you wish to add, Mr. Attorney General?

ATTORNEY GENERAL'S DESIRE TO APPEAR LATER

Mr. KATZENBACH. No, sir. I know the Attorney General is anxious to come here and I advised him of this date.

He is coming in, I believe, late this afternoon and he stated that he did want to appear before the committee and also he did not want any delay in the process. I appreciate your commencing these hearings without him.

Mr. ROONEY. Fine. If there are no further questions, I guess it is best you go back to the shop, Mr. Katzenbach.

Mr. KATZENBACH. Right. Thank you, Mr. Chairman.

MONDAY, JANUARY 27, 1964.

OFFICE OF PARDON ATTORNEY

WITNESS

REED COZART, PARDON ATTORNEY

Mr. ROONEY. The next item is under tab 5 and is entitled "Office of Pardon Attorney."

We shall at this point insert pages 5–1 through 5–6 of the justifications.

(The pages follow:)

Office of the Pardon Attorney

Appropriation, 1964	$82,000
Estimate, 1965	90,100
Increase	8,100

The Pardon Attorney performs a specialized service under the Attorney General, which deals with the receipt, investigation, and disposition of applications to the President for pardon, or other forms of Executive clemency.

AMOUNT REQUESTED

It is estimated that an appropriation of $90,100 will be needed to operate this Office on its present scale in 1965. The increase of $8,100 over the 1964 allotment of $82,000 is required to implement statutory provisions regulating the compensation of personnel, reclassifications approved for the Pardon Attorney and two members of his staff and to provide for the full employment of the authorized staff of nine, as follows:

Cost of statutory provisions: 1965 costs under 1962 Pay Act (Public Law 87–793):	
Annualization of schedule II increases effective Jan. 5, 1964	$1,400
Step increases due in fiscal year 1965	1,100
Savings due to 1 less compensable day in 1965	—240
Personnel benefits related to above	200
Total	2,460
Reclassifications	1,114
Elimination of lapses to permit full employment	4,176
Personnel benefits related to above	350
Total increase	8,100

GENERAL STATEMENT

The Pardon Attorney performs a specialized service under the Attorney General which deals with the receipt, investigation, and disposition of applications to the President for all types of Executive clemency. In addition, related matters are received, considered, and disposed of on an administrative basis in accordance with established policy and procedure.

As reflected in the attached workload data, actual and estimated, the work of this Office has been increasing substantially from year to year and it is anticipated that the increase will continue. It is likely that the number of petitions by prisoners serving sentences will continue to increase substantially. In this connection, the Director of the Bureau of Prisons and the wardens of the institutions, particularly the institutions where prisoners serve long sentences, are devising a program whereby the cases of all prisoners will be reviewed and the meritorious ones will be systematically brought to the attention of the Pardon Attorney.

Other than the consideration of formal applications, the Pardon Attorney also must necessarily examine, review, and dispose of many, many informal requests for relief, or for information or advice concerning the various aspects of clemency and loss and restoration of civil rights. During the past year the Office handled a considerable amount of miscellaneous correspondence in addition to these items.

At the present time, work is behind but the Office anticipates that it will be able to operate during the next fiscal year without the addition of any new staff members. It will be necessary, however, that the positions be kept filled to prevent a further increase in the backlog.

As predicted a year ago, the revision of the pardon procedures necessarily caused an increase in "paperwork," but the Office has been able to keep abreast of the increase with its present staff.

ADDITIONAL AMOUNTS NEEDED TO FINANCE PRESENT STAFF

The Civil Service Commission recently authorized the reclassification to GS–16 (supergrade) of the Pardon Attorney's position. This required a reevaluation of the classifications of other positions in the Office with the result that two other positions were found to be undergraded and should be reclassified. The total cost of these reclassifications is $1,114. It is impossible with the small Office of nine persons and a very tight budget, to absorb this added expense.

This Office is now fully staffed and there is no reasonable prospect that savings can be expected from turnover in personnel. However, the current appropriation requires that savings (lapses) of $4,176 be effected in order to carry the present staff on full-year basis. The addition of this amount to the 1965 appropriation is requested to permit full employment of the existing staff in 1965.

Workload

	Actual			Estimated	
	1961	1962	1963	1964	1965
Cases or matters:					
Pending beginning of year	437	408	506	687	877
Received	481	595	592	720	720
Terminated	510	497	411	530	530
Pending end of year	408	506	687	877	1,067

Mr. ROONEY. The request is in the amount of $90,100 which would be an increase of $8,100 over the amount appropriated in the current fiscal year.

In connection with the Office of Pardon Attorney, the requested increases are set forth at page 5–3 of the justifications.

We are honored to have with us the distinguished Pardon Attorney, Mr. Reed Cozart, who has been there for many years. We will ask that he explain these requested increases particularly the one entitled "Elimination of lapses to permit full employment."

Mr. COZART. Mr. Chairman, as you know we have had the same number of employees for a long time. Our work has increased not quite double but almost double since, let us say, 1959. We have asked for no increase but if we should have vacancies, and we are getting further behind in our work——

Mr. ROONEY. You have how many people in your shop?

Mr. COZART. We have nine altogether and we have four attorneys, one messenger, and four clerical personnel.

Mr. ANDRETTA. It has been nine for 30 years.

Mr. COZART. We have had lapses in the years when our caseload was low. Should we have a vacancy now and not fill it we would be in difficult shape.

Mr. ROONEY. You have a fairly tight budget.

Mr. COZART. Yes, sir.

Mr. Chairman, you have always treated us well and we thank you.

Mr. ROONEY. Thank you, Mr. Cozart.

MONDAY, JANUARY 27, 1964.

BOARD OF PAROLE

WITNESSES

RICHARD A. CHAPPELL, CHAIRMAN
JAMES A. CARR, CHAIRMAN, YOUTH DIVISION
JAMES C. NEAGLES, STAFF DIRECTOR

Mr. ROONEY. The next item is for the Board of Parole and is to be found under tab 6 of the justifications.

We shall at this point in the record insert pages 6–1 through 6–12 thereof.

(The pages follow:)

Board of Parole

Appropriation, 1964	$518,000
Estimate, 1965	546,800
Increase	28,800

AMOUNT REQUESTED

It is estimated that $546,800 will be required to meet the needs of the Board of Parole for the fiscal year 1965. This exceeds the amount allotted to the Board in 1964 by $28,800. The amount requested is necessary to meet the cost of complying with statutory provisions affecting the compensation and benefits of employees, the cost of complying with an appeals court ruling[1] requiring local

[1] *Hyser* v. *Reed*, decided in the U.S. Court of Appeals for the District of Columbia, Apr. 11, 1963.

hearings for alleged parole and mandatory release violators, and the higher costs of handling a continued large Board workload. It includes increases for costs of increased travel needs and for hearing reporter services especially related to new procedures adopted in conformance with the appeals court ruling. The increases are as follows:

Cost of statutory requirements:	
1965 costs due to 1962 Pay Act (Public Law 87–793):	
Annualization of schedule 2 increases effective Jan. 5, 1964	$6,150
Step increases due in 1965	5,600
Savings due to 1 less compensable day in 1965	−1,750
Personnel benefits relative to above	800
Total	10,800
Other increases:	
Travel	10,000
Communications	1,000
Printing and reproduction	700
Other services (reporters' fees)	5,000
Equipment	1,300
Total	18,000
Total increase	28,800

GENERAL STATEMENT

New procedure

During April 1963, the U.S. Court of Appeals for the District of Columbia ruled that every alleged parole and mandatory release violator must be afforded a preliminary hearing prior to being returned to a Federal institution. Previously, the prisoners were transported to a Federal institution where they were heard by a member of the Board at its next regularly scheduled visit. The Board has adopted procedures to comply with this new ruling, but has no funds with which to carry it out.

The Board has arranged for U.S. probation officers to conduct preliminary hearings in the community to ascertain whether the prisoner admits his guilt or denies the charges and desires a local revocation hearing at a place where he can obtain an attorney and/or witnesses. When alleged violators deny the charges, someone from the Board must travel from headquarters and conduct the hearing. Reporter services will be required because a high proportion of these cases will eventually develop into further court proceedings involving the Board. This procedure necessitates an increase in funds for travel and reporter services.

High workload

The number of decisions made by the Board rose again during 1963 to 22,562. This is an increase of almost 2,000 over the previous year. Although the average number of prisoners under the Board's parole jurisdiction remained almost exactly the same during 1963 (there was a difference of only six persons), the greatly increased use by the courts of the section of the law providing for indeterminate sentencing placed a heavy burden on the Board. Sentences of this type usually require that the Board conduct an extra hearing in such cases. Because the number of indeterminate sentences has more than doubled during the past 2 years, the Board has had to resort to an even heavier reliance on written progress reports in other type cases because there has not been enough staff, time, or funds for travel and reporting services to conduct all the hearings which should be held. For this reason, the increase in Board decisions is mainly reflected in the progress reports statistics and in the area of determinations of parole eligibility dates in indeterminate sentence cases. Workload relative to Youth Corrections Act cases remains substantially at the same peak level which has prevailed since 1961. Here especially the number of hearings has been reduced by resorting to written progress reports, despite the fact that this practice is not as adequate or desirable as personal interviews.

Personnel and related needs

Although the Board's workload has steadily increased over the past several years, only two additional positions (GS–5) have been authorized since 1959.

Because of this, the Board has eliminated all but the absolutely essential processing of cases. Form letters are being used more and more, followup control over cases has sagged and parole is increasingly being decided solely on the basis of material in the file, without the important element of a personal review hearing. An automatic typewriter and mechanical transcription devices are being used as much as possible, and office methods have been streamlined. Despite all possible efficiency and corner cutting, the Board continues to experience a backlog of unprocessed cases.

Superimposed on the normal backlog is the new need to send persons to any part of the Nation to conduct local revocation hearings as required by the court. Rather than adding staff at this time, the Board will attempt to make available some of its present staff to conduct hearings outside of Washington. Because of the heavy workload in Washington, this attempt may prove difficult, but the Board will experiment with this approach during 1965.

To comply with the court ruling cited above, the Board is required to travel to any place in the country to conduct a hearing "reasonably near the place of alleged violation." Travel funds, reporter fees, and normal increases in communications, equipment, and printing will be needed to support this function.

The Board estimates that the amounts shown below are the necessary amounts in the various categories to meet its needs for the fiscal year 1965.

11 Personnel compensation, $420,700

The amount requested includes statutory costs of the 1962 Pay Act ($6,150), the normal step increases ($5,600), and takes into consideration the savings due to 1 less compensable day in 1965 (—$1,750). No additional staff is requested.

12 Personnel benefits, $30,800

This amount includes the increased agency share of life insurance, retirement contributions, and health benefit contributions as a result of higher salaries required by the 1962 Pay Act ($800).

21 Travel, $40,000

It is believed the amount appropriated for travel this year would have been sufficient for 1965 had it not been for the requirement to hold local revocation hearings in the community. It is estimated that $10,000 (less than $1,000 per month) will be adequate to send staff to the field for this purpose. Since the hearings will not be protracted in length, per diem payments will not be large, but there will be a substantial number of trips requiring the payment of transportation expenses. While in the field, the traveler will stop off for short stays in the city of the hearing to provide consultation and supervision for probation officers handling parole matters. Research has shown a need for such supervision and the use of Board personnel in this role will fill the need to some extent.

23 Rent, communications, $4,800

An increase of $1,000 is requested to defray the anticipated cost of communication related to the holding of local revocation hearings. In these proceedings, arrangements for time, place, and reporter services must be accomplished without delay. Increased communication between marshals, probation officers, and the Board is necessary. Notwithstanding these additional communication needs, the allocation for last year fell $311 short of the Board's actual expenditures.

24 Printing and reproduction, $3,900

An increase of $700 is requested to meet the costs of printing new forms and instructions relative to the Board's new procedures, as well as the steadily increasing volume of forms used because of increased workload generally.

25 Other services, $42,600

An increase of $5,000 is requested in this category. A verbatim transcript of each local revocation hearing must be prepared, both for the Board's records and for submission to the court in contested cases. Prisoners who deny violation charges are increasingly going into the courts for relief. In such cases, the court requires a transcript of the revocation hearings. In most cases, the services of a court reporter will be used.

In addition to the special services of the court reporter, the Board should provide modest increases in fee schedules for its regular parole hearing reporters. The Board is having great difficulty in replacing any of these persons who resign. No general pay increase has been possible over the years, despite advances in

other Federal and private pay. To fail again in 1965 to authorize a small increase in fees will seriously hamper the Board's recruiting efforts.

26 Supplies and material, $1,000

This is the same amount allocated last year. No increase is requested.

31 Equipment, $3,000

An increase of $1,300 is requested to enable the Board to replace wornout typewriters, office machines, and furniture, rather than incur high repair bills for old equipment.

Workload

RECAPITULATION

	Actual			Estimated	
	1961	1962	1963	1964	1965
Average population in institutions	24,448	25,003	24,977	24,800	25,300
Bureau of Prisons	23,378	23,890	23,797	23,500	24,000
Public Health Service	862	835	912	1,000	1,000
District of Columbia Youth Center	208	278	268	300	300
Parole decisions	19,541	20,666	22,357	23,200	23,500
On basis of hearings and other original actions	16,591	16,999	17,645	18,300	18,600
Granted parole: All offenders	4,768	5,157	5,131	5,200	5,250
Denied parole: General law offenders	5,923	5,967	5,859	5,900	5,900
Juvenile and youth offender hearings (grants excluded)	3,594	3,118	3,441	3,500	3,550
Revocation and special interviews	1,610	1,804	1,773	1,800	1,900
Determination of eligibility dates	696	953	1,441	1,900	2,000
On basis of reviews	2,950	3,667	4,702	4,900	4,900
Progress reports reviewed	2,872	3,560	4,610	4,800	4,800
Washington review hearings	78	107	92	100	100
Warrants issued	2,002	2,165	2,238	2,330	2,400
Parole	1,241	1,405	1,449	1,530	1,580
Mandatory release	761	760	789	800	820
Meetings held at institutions	181	180	178	184	174
Hearings conducted	14,001	13,819	13,401	13,800	14,200
Number under supervision, June 30: Parolees and mandatory releasees	8,105	8,865	9,420	9,500	9,600

YOUTH CORRECTION DIVISION

Average population: Youth institutions [1]	5,932	5,926	5,870	5,700	5,700
Population, June 30: Youth institutions [1]	6,062	5,821	5,825	5,750	5,750
Paroles granted by Youth Division	2,052	2,450	2,365	2,425	2,475
Youth Corrections Act	1,125	1,426	1,448	1,500	1,550
Federal Juvenile Delinquency Act	504	522	492	500	500
District of Columbia juveniles	30	47	24	25	25
General law in youth institutions	393	455	401	400	400
Parole warrants issued by Youth Division	785	934	1,017	1,080	1,105
Youth Corrections Act	524	710	745	800	825
Federal Juvenile Delinquency Act	176	131	168	175	175
District of Columbia juveniles	5	3	5	5	5
General law in youth institutions	80	90	99	100	100
Meetings held at institutions	89	86	84	87	80
Hearings conducted	6,479	6,298	5,637	6,000	6,300

[1] Population figures include prisoners in the 9 youth-type institutions and the 4 prerelease guidance centers of the Bureau of Prisons, plus the youth offenders in the District of Columbia Youth Center.

NOTE.—The Youth Correction Division has paroling authority over those committed under the Youth Corrections Act, the Federal Juvenile Delinquency Act, by the District of Columbia Juvenile Court to the National Training School for Boys, and those committed under the general criminal law but housed in any of the institutions designed primarily for youthful prisoners.

Workload—Continued

GENERAL LAW OFFENDERS IN ADULT INSTITUTIONS

Average population: Adult institutions	18,516	19,077	19,107	19,100	19,600
Paroles granted: General law in adult institutions	2,716	2,707	2,766	2,775	2,775
Parole warrants issued: General law in adult institutions	456	471	432	450	475
Meetings held at inltitutions	92	94	94	97	94
Hearings conducted	7,522	7,521	7.764	7,800	7,900

Mr. ROONEY. This request is in the amount $546,800, which would be an increase of $28,800 over the amount appropriated for the Board of Parole in the current fiscal year.

The requested increases are set forth at pages 6–2 and 6–3 of the justifications.

What about this requested increase in "Travel"?

Mr. CHAPPELL. Mr. Chairman, that is brought about largely by the change in the procedures of the Board which it has to follow in revocations of paroles.

NEW PROCEDURES REQUIRED BY RECENT COURT DECISION

Heretofore the Board has heard alleged violations of parole and mandatory release back at the prisons to which violators were returned. Under a decision that came down last year, *Hyser et al.* v. *Reed*, 318 Fed. (2d) 225, the court held that the Board had to give alleged violators a local hearing in the community where they were arrested so they could have their attorneys and their witnesses present.

The Board has changed its procedure now so that we have to give these local hearings throughout the country. We did make arrangements——

Mr. ROONEY. What is the status of that case?

Mr. CHAPPELL. It was appealed to the Supreme Court by some of the parties in the case, some of the prisoners. *Jamison* was the leading case. It was appealed to the Supreme Court. They requested certiorari, but the Supreme Court denied it. The reason they went up to the Court is that they wanted to have the Government appoint lawyers for them to appear at these revocation hearings.

They also wanted to have access to the Parole Board's files in addition to the local hearings but the Court denied certiorari, which leaves us with the *Hiser* decision. This means we have to give the local hearings.

Now we do have an arrangement with the Probation Service for the local probation officers to conduct these local hearings except in cases where there is a contest, where the man denies the violation. In those cases, we have to arrange for someone from our Board, either a member or an examiner, to go out. Fortunately, we have not had a great number of those local hearings that demanded us to go out but we never know because when the word gets around that violators are entitled to this we may have a good many more in the future.

COSTS ATTRIBUTABLE TO NEW PROCEDURES

That is largely the reason for the increase in travel, for the increase in reporter services, because we have to have a reporter present in the

event these fellows go up to the courts on these local hearings. We have to be prepared to present something to the courts so we have to employ reporters. It also accounts, in large measure, for the increase in communications because we have a lot of telephone calls and telegrams going out designating the place of confinement and to instruct the probation officer what steps to take.

Mr. ROONEY. Are we to understand that the requested $18,000 increase at page 6–3 is the consequence of the decision in the *Hyser* v. *Reed* case?

Mr. CHAPPELL. Very largely, sir; very largely.

We do have a few more persons under supervision than we have had heretofore, also our hearings have tended to increase although the number of persons in prisons is going down slightly. We do have to afford more than one hearing under section 4208(a)(2) of title 18 where the court commits a person and authorizes the Board to fix the parole eligibility date. Also, under the Youth Act the Board must fix a parole eligibility date, which means two hearings rather than one.

That accounts for the reason our hearings have gone up some.

DECREASE IN NUMBER OF HEARINGS

Mr. ROONEY. Your hearings have gone down some, have they not?

Mr. CHAPPELL. That is correct, sir. I beg your pardon.

Mr. ROONEY. As a matter of fact, when you were here last year you estimated your hearings for 1963 to be 14,500 and the fact is, according to page 6–10, that you only had 13,401 hearings during the course of 1963, is that correct?

Mr. CHAPPELL. You are correct.

The progress report reviews above that——

Mr. ROONEY. I am correct but you do not like it?

Mr. CHAPPELL. No.

Mr. ROONEY. I gathered that from the tone of your voice and I don't blame you.

Mr. CHAPPELL. What I should have said, Mr. Chairman, is we should have more of these second hearings. You notice our progress reports went up from 3,560 to 4,610. We would like to give a second hearing to some of those persons but we have had to consider them on a progress report study here in Washington rather than a second hearing in the field, largely because of manpower and travel expenses.

PRISON POPULATION

Mr. ROONEY. I notice your figures with regard to average population in institutions, which I take it you received from the Bureau of Prisons, shows the current year estimate of 25,300 compares with 25,003 in 1962.

It seems to me that some drumbeater within the last week or so got out a story for the press that Federal prisons were bulging at the seams.

Did I see something like that?

I think so. It always happens on the eve of the appropriations hearings.

Mr. ANDRETTA. You say they had a reduction in juveniles?

Mr. ROONEY. They are more difficult to handle. That is another thing.

REVISED ESTIMATE REFLECTING DECREASE IN PRISON POPULATION

Mr. CHAPPELL. Incidentally, Mr. Chairman, we have revised some of our estimates and if you would permit us we would like to substitute this page for the old page we left with you. We got some more recent figures from the Bureau of Prisons and we have revised downward some of our estimates. If you would permit us, we would like for you to let us substitute these pages for the others.

Our Board functions in two divisions: one adult and the other the youth. We have a separate page there for the youth cases.

Mr. ROONEY. According to the new figures you now present us with as a substitute for page 6–10 in the justifications book, the prison population will be less in the current year than it was last year and the year before that?

Mr. CHAPPELL. We obtained those figures from the Bureau of Prisons; did we not, Mr. Neagles?

Mr. NEAGLES. Yes, sir.

Mr. ROONEY. We shall insert the new figures at the point in the record where we inserted pages 6–10, 6–11, and 6–12.

Are there any questions, gentlemen?

PAROLE VIOLATORS

Mr. BOW. Is there anything on this sheet that shows the number of parolees who committed a crime while on parole and who were required to be returned to prison?

Mr. CHAPPEL. On page 6–10, Mr. Bow, we have "Warrants issued," parolees and mandatory releasees.

There was a slight increase in parole "Warrants issued"—44 more than the previous year. It went from 1,405 to 1,449 and in mandatory release there is a slight increase. It went from 760 to 789.

Mr. BOW. Where is the figure on those who committed a crime while on parole?

Mr. CHAPPELL. That is "Warrants issued" and that is the figure on those.

Mr. BOW. In other words, in 1963 there were 2,238 on parole who committed crimes?

Mr. CHAPPELL. Yes, sir; those were warrants issued.

Mr. BOW. You are anticipating—in 1965—2,400 on parole who will commit crimes?

Mr. CHAPPELL. In 1965, yes, sir. We are building up a backlog of youth cases and they are more likely to violate than the adults.

ANTICIPATED INCREASE IN PAROLE VIOLATORS

Mr. BOW. What do you mean by "building up a backlog"?

Mr. CHAPPELL. You see the youth cases are sentenced for 6 years including the time they are in the institution. As we use the act more, or as the courts use the act a great deal now, those 6-year terms that started back earlier will be coming out. We think there will be more

as youths are more apt to violate. We find that only about 17 percent of our adult prisoners violate parole but the figure is considerably higher for youths.

Mr. Bow. In other words, you also anticipate 17 percent of those 2,400 will be adults?

Mr. CHAPPELL. That is correct.

Our past history indicates 16 to 17 percent. We are getting more and more of these A–2 cases where the courts ——

PAROLE ELIGIBILITY UNDER SECTION 4208(a)(2), TITLE 18 UNITED STATES CODE

Mr. Bow. What is an A–2 case?

Mr. CHAPPELL. That is section 4208(a)(2) of title 18 that provides if the court specifies that section of the act, the Board must determine when the man becomes eligible for parole. All others are eligible at one-third of the sentence but the courts are using that section of the law more and more, leaving it to the Parole Board to decide when these people should become eligible for parole.

Mr. ROONEY. Is not the court's use of that section an indication it feels that the prisoner should be considered for parole before he has served a third of his term?

Mr. CHAPPELL. Yes, sir.

Mr. ROONEY. Definitely, that is the purpose of the court in doing that, is that not?

Mr. CHAPPELL. You notice the figure went from 696 in 1961 to 953 in 1962 and to 1,441 in 1963. That is on page 6–10, "Determination of eligibility dates." Those are the ones the Board has to decide when they should be eligible.

On a great many of them we find they should be eligible earlier than the one-third and the Board has the advantage of the workup that is made in the institution by the doctors, psychiatrists, and staff there. We have a little more information on them than the court had at the time the man was sentenced. The courts are more and more looking to the Board to determine the eligibility date.

It adds work to our load but we think it is a good law and we like it, although it increases our duties some.

Mr. Bow. Thank you, Mr. Chairman.

BACKGROUND OF JAMES A. CARR, CHAIRMAN OF YOUTH DIVISION

Mr. ROONEY. Since this is Mr. Carr's first visit to Capitol Hill in connection with his money, it might be well if you told us something about his background.

Mr. CHAPPELL. Mr. Chairman, this is Mr. Carr's first appearance before the committee and he is the Chairman of our Youth Division. He is a Harvard man and he knows the theory of parole and he has his feet on the ground and a lot of practical experience. He brings a lot of strength to our Board.

Mr. CARR. Mr. Chairman, I have been here since April and have been Chairman of the Youth Division since May 15. Prior to coming here I was in the superior court system in Massachusetts and parole and probation chief for 16 years.

Prior to that I was in the Federal court in Boston for about 7 years. My military service was in the Navy for 3 years as a commissioned officer, a lieutenant. Prior to that I had been with the State system in Massachusetts in the juvenile courts and the department of public welfare.

As far as my education goes, I have an A.B. from Harvard and a master's degree in social work from Boston University and I did some teaching after I went through school.

Mr. ROONEY. That sounds like a very good background.

If there are no further questions, Mr. Chairman, Mr. Carr, and gentlemen, we thank you.

Mr. CHAPPELL. Thank you, sir.

MONDAY, JANUARY 27, 1964.

BOARD OF IMMIGRATION APPEALS

WITNESSES

THOMAS G. FINUCANE, CHAIRMAN
ANTHONY L. MONTAQUILA, EXECUTIVE ASSISTANT

Mr. ROONEY. The next item is to be found under tab 7 and is entitled "Board of Immigration Appeals."

We shall at this point insert pages 7–1 through 7–6 of these justifications in the record.

(The pages follow:)

Board of Immigration Appeals

Appropriation, 1964	$304,000
Estimate, 1965	316,000
Increase	12,000

The Board of Immigration Appeals is a body set up by order of the Attorney General to consider appeals in all administrative adversary and related proceedings arising under the immigration and nationality laws. The Attorney General has delegated to the Board power to exercise all of his authority in considering such appeals. The organizational and jurisdictional authority for the Board is contained in part 3, Code of Federal Regulations; sections 3.1 to 3.8 issued under section 103, 66 Stat. 173; 8 U.S.C. 1103, and section 2 of Reorganization Plan No. 2 of 1950, 64 Stat. 1261; section 292, 66 Stat. 235; 8 U.S.C. 1362.

AMOUNT REQUESTED

It is estimated that the Board will require a total of $316,000 or $12,000 more than the allotment for 1964 to maintain its staff and operations in fiscal year 1965. The details of the increase are as follows:

Costs due to statutory provisions—	
1965 costs under 1962 Pay Act (Public Law 87–793):	
Annualization of schedule II increases effective January 5, 1964	$8,100
Step increases due in fiscal year 1965	3,700
Savings due to 1 less compensable day in 1965	(—)1,000
Personnel benefits related to above	800
Total	11,600
Additional equipment	400
Total	12,000

The major portion ($11,600) of the increase is required to meet mandatory costs pursuant to existing statutes. In addition $400 more is requested to raise the equipment allotment to $2,900 to permit the purchase of the following items:

3 dictating machines	$1,200
3 electric typewriters	1,300
1 dictation transcriber	400
Total	$2,900

GENERAL STATEMENT

It is estimated that the Board will receive about 1,250 new cases during the fiscal year 1965.

During the past fiscal year the Board's jurisdiction was enlarged to provide appeals in the following additional classes of cases:

(1) Section 243(a), Immigration and Nationality Act, relating to the to the place of deportation.

(2) Section 243(h), Immigration and Nationality Act, relating to claims of physical persecution in connection with deportation.

(3) Section 245, Immigration and Nationality Act, relating to adjustment of status in immigration matters.

(4) Section 249, Immigration and Nationality Act, relating to registry proceedings in the creation of a record establishing permanent residence of an alien in the United States.

Subsequently the Board's jurisdiction was again enlarged to provide appeals in adverse action arising under part 246 of the Immigration and Nationality Regulations relating to rescission of adjustment of status cases.

The foregoing resulted in an increase in the Board's incoming workload of cases by 186 over the previous fiscal year. Despite this increase in cases and the additional issues they will present, since under the regulations all issues of law and discretion will be dealt with in a single proceeding, the Board has been able to handle the workload without any increase in personnel. It is expected that the Board will continue to maintain a more or less healthy and current workload during fiscal 1965. This, of course, will require the sincere and honest efforts of the entire staff.

Workload

	Actual			Estimated	
	1961	1962	1963	1964	1965
Cases or matters: [1]					
Pending beginning of year	171	148	140	121	96
Received	1,075	1,194	1,380	1,350	1,250
Terminated	1,098	1,202	1,399	1,375	1,275
Pending end of year	148	140	121	96	71

[1] Oral arguments heard by Board:

	Number	Percent of cases received
1961 (fiscal)	288	26.8
1962 (fiscal)	302	25.3
1963 (fiscal)	376	20.0
1964 (fiscal) (estimated)	270	19.9
1965 (fiscal) (estimated)	280	20.5

Mr. ROONEY. This request is in the amount $316,000 which would be an increase of $12,000 over the amount appropriated in the current fiscal year.

The requested increases are set forth at page 7–3 in the amount $12,000 and are all mandatory with the exception of $400?

Mr. FINUCANE. That is correct.

Mr. ROONEY. The $400 is for additional equipment, is it?

Mr. FINUCANE. That is right, replacement of equipment that has become obsolete, worn out.

Mr. ROONEY. Thank you, gentlemen.

Mr. FINUCANE. Thank you, Mr. Chairman.

MONDAY, JANUARY 27, 1964.

LIBRARY

WITNESSES

S. A. ANDRETTA, ADMINISTRATIVE ASSISTANT ATTORNEY GENERAL
J. C. BROWN, CHIEF, BUDGET AND ACCOUNTS OFFICE

Mr. ROONEY. The next item is entitled "Library" and is to be found under tab 8 of the justifications.

We shall at this point insert in the record pages 8–1 through 8–7 of the justification book.

(The pages follow:)

Library

Appropriation, 1964	$280,000
Estimate, 1965	294,100
Increase	14,100

The library serves the staff of the Department of Justice through a collection of over 250,000 volumes of legal and other related reference material.

It is the responsibility of the librarian to formulate library policy, develop and maintain a sound collection of legal texts, periodicals, etc. A major function of the library staff is the preparation and maintenance of current indexes and catalogs of the material.

AMOUNT REQUESTED

It is estimated that an appropriation of $294,100 will be needed to maintain and service the library in fiscal year 1965. This is $14,100 more than the funds available for 1964. The increases are as follows:

Cost of statutory provisions:	
1965 costs under 1962 pay act (Public Law 87–793):	
Annualization of schedule II increases effective Jan. 5, 1964	$3,300
Step increases due in fiscal year 1965	2,600
Savings due to 1 less compensable day in 1965	−500
Personnel benefits related to above	400
	5,800
Reclassifications (salaries $1,675, benefits $125)	1,800
Law book continuation services	6,500
Total increase	14,100

GENERAL STATEMENT

The amount requested for the library is for the support of all library activities both at the seat of government (except the Federal Bureau of Investigation, the Immigration and Naturalization Service, and the Bureau of Prisons) and in the field (except U.S. attorneys). The budget not only provides for the organized libraries but also covers all so-called library materials including newspapers, dictionaries, maps, directories, etc., throughout the Department. In addition, it provides for the purchase of new books and periodicals, upkeep service on existing materials, binding, repairing, supplies and equipment, and personnel and related costs.

Library operations continue to expand with the increase in the legal staffs and activities of the Department. The number of volumes increases an average of 5,000 each year and the books and periodicals circulated have more than doubled in the past 5 years. This greater workload has been handled without enlargement of the staff. In fact the number of positions currently authorized is actually one less than the number authorized in fiscal year 1958.

An increase of $1,800 is requested to cover the cost of two reclassifications approved during fiscal year 1963. Since this is a small office operating under a very limited budget it is difficult to absorb any increases in costs without curtailing essential services to library patrons. Even so the library will have to save $1,193, in lapses to keep within budgeted funds.

The cost of updating present volumes (continuations) increases as the library grows from year to year and the unit prices charged by the publishers are advanced. Annual payments for these services have risen from $84,285 in fiscal year 1961 to $100,070 in fiscal year 1963. The higher costs have been absorbed by deferring acquisitions of new books and office equipment. However, this cannot be continued indefinitely without detriment to the proper operation of the library. An additional amount of $6,500 is requested to offset a part of the present higher costs of continuation services.

More than 250,000 volumes on law and related subjects in the main library and the smaller collections are used to serve the employees of the Department of Justice in the preparation of legal briefs and memorandums, in the preparation of supporting economic and social findings necessary in litigation, as well as for general reference use. The libraries participate with other Government agencies and institutions in the area in an interlibrary loan program. These resources, together with the services provided by the staff, make the Department of Justice libraries among the foremost legal research centers of the Federal Government.

The libraries of the Department are organized and managed according to nationally recognized library standards with certain variations necessitated by the unique physical arrangement and work responsibilities of the Department which they serve. The main library is the principal repository of all research materials, now containing approximately 120,000 volumes. The Division libraries, and other smaller collections, maintain basic working collections of Federal reports and statutes, and a few important and widely used reference materials having particular application to the work of these specialized units.

The main library has been fully cataloged and classified since 1938 and as time permits, the holdings prior to that time are also cataloged and classified. All the holdings of the smaller collections are cataloged and a union catalog of these holdings is maintained in the main library. The main purposes of the union catalog are to make all the resources of the libraries generally available throughout the Department and to avoid duplication. The libraries of the Department accumulate through purchase, gift, exchange, and deposit; organize, catalog, and keep up-to-date the collections of books and materials in the field of law and related subjects referred to above. The principal library functions performed throughout the library system may be grouped under broad headings as follows: Acquisitions (including ordering, gifts, and exchanges); technical processing (including cataloging, classifying, and binding); circulation (including interlibrary load service); and reference; and the clerical functions necessary to support these activities.

Workload

	Actual			Estimated	
	1961	1962	1963	1964	1965
Volumes in the libraries	229,123	237,713	243,160	250,000	255,000
Acquired during year by purchase, gift, etc	5,799	8,590	5,457	5,000	5,000
Books and periodicals circulated	205,075	229,463	243,000	250,000	255,000
Books used in libraries for reference	390,874	426,604	450,000	475,00	500,000
Books borrowed from other libraries	4,086	3,607	2,139	2,000	2,000
Books loaned to other libraries	525	731	497	500	500
Material catalogued	5,543	7,739	5,601	5,000	5,000
Cards added to public catalog	5,744	5,182	4,434	5,000	5,000
Binding and mending (volumes)			1,176	1,000	1,000

NOTE.—The figures given for books and periodicals circulated and used for reference (items 3 and 4) do not reflect use of the Criminal Division library nor the smaller collections where there are no librarians on duty.

INCREASES REQUESTED

Mr. ROONEY. The request is in the amount of $294,100 which would be an increase of $14,100 over the amount appropriated for the current fiscal year.

It would appear from page 8–3, Mr. Andretta, that all of the requested increase of $14,100 is for statutory costs with the exception of the $1,800 in "Reclassifications" and $6,500 in "Law book continuation service." Is that correct?

Mr. ANDRETTA. That is correct.

EXPLANATION OF INCREASES

Mr. ROONEY. What about these requested increases?

Mr. ANDRETTA. The Library had to meet civil service classification standards and reclassify an assistant librarian position which required this small amount of increase in the salary base of the library operation. I think they were positions in two divisional sublibraries. The cost of books and continuations are going up all the time.

Last year we spent $100,000 on continuations. This year we only have $86,000 available for continuations and I see nothing in sight that is going to reduce it unless we reduce our sets of books and take away the tools the lawyers have to work with. These continuations support all of the divisional libraries plus the main library of the Department. As a consequence, we were $15,000 over last year and we thought we ought to raise the estimate for continuations for 1965 to $92,500. Even then, that is going to be about $7,500 short of what we spent last year.

ADMINISTRATIVE DIVISION

WITNESSES

S. A. ANDRETTA, ADMINISTRATIVE ASSISTANT ATTORNEY GENERAL

J. C. BROWN, CHIEF, BUDGET AND ACCOUNTS OFFICE

Mr. ROONEY. We shall now proceed to tab 9 where we find the particulars with regard to the Administrative Division.

We shall at this point insert in the record pages 9–1 through 9–5 of the justifications.

(The pages follow:)

Administrative Division

Available, 1964	$2,628,000
Estimate, 1965	2,738,000
Increase	110,000

The Administrative Assistant Attorney General is head of the Administrative Division, which is charged with responsibility for the business management of the Department. This includes among other things the formulation, presentation, and execution of the Department's budget; the recruitment, appointment, placement, training and classification of personnel; the allotment, disbursement, and accounting for funds; the collection and compilation of statistics; the purchase of supplies and equipment; allotment and utilization of space, along with necessary administrative services such as duplication, telephones, transportation, etc.; the receipt and distribution of mail; maintenance and disposition of files and records; the examination and inspection of field and judicial offices; the study of departmental offices with a view to effecting improvements in organization and practices; making management studies; and generally the administration of similar staff services. The Administrative Assistant Attorney General also supervises the administrative operations of the U.S. marshals' and attorneys' offices, the Board of Immigration Appeals, the Board of Parole, and the Office of the Pardon Attorney.

AMOUNT REQUESTED

It is estimated that $2,738,000 will be needed to finance the activities of the Administrative Division in 1965. This is an increase of $110,000 over the amount available for 1964 and is required to implement statutory provisions concerning the compensation and benefits of personnel and to allow for the full-time utilization of a greater number of currently authorized positions to handle the mounting demand for administrative services generated by the overall increase in the workload and activities throughout the Department, as follows:

Costs due to statutory provisions:	
1965 costs under 1962 Pay Act (Public Law 87-793):	
Annualization of schedule II increases effective Jan. 5, 1964	$41,300
Step increases due in fiscal year 1965	29,500
Savings due to 1 less compensable day in 1965	—8,100
Wage board increases authorized in 1963	11,000
Personnel benefits related to above	5,100
Total	78,800
Costs due to heavier workload:	
Provision for higher full-time employment of currently authorized staff	29,000
Personnel benefits related to above	2,200
Total	31,200
Grand total	110,000

GENERAL STATEMENT

The Administrative Division conducts the business affairs of the Department and functions as the central office for departmentwide administrative and advisory programs. This office maintains liaison with other Government agencies and the Appropriations Committees of Congress. It has charge of the Department's personnel and records maintenance programs; handles financial and housekeeping matters; compiles statistical information on litigation, and conducts management studies and examinations of field offices of the Department and the judiciary.

Over the years this Division has absorbed a steady increase in the demands for administrative services resulting from the continued expansion in the workload and activities of the Department. This has been accomplished mainly through the adoption of automatic data processing techniques and by hold-

ing personnel to the bare minimum needed to perform day-to-day functions. Recently, however, the calls for regular and expedited services have increased as the result of frequent crises and special enforcemnt problms involving this Department.

The Division cannot continue to support these stepped-up activities without some relief in its staffing provisions.

At present we are unable to utilize a number of authorized positions because of forced savings through lapses; i.e., although 382 positions are authorized for 1964, current funds will support an average of only 358 full-time employees.

This estimate includes $29,000 more for personal services to permit an increase of approximately 7 in the number of full-time employees within the currently authorized staff.

Mr. ROONEY. These pages indicate the request is in the amount $2,738,000 which would mean a requested increase of $110,000 in the coming fiscal year.

The breakdown of this requested increase is to be found at page 9–3 of the justifications and it would appear therefrom that $78,800 is for mandatory costs, is that correct?

Mr. ANDRETTA. $78,800; yes, sir.

Mr. ROONEY. $31,200 is "for costs due to heavier workload."

What about this?

EXPLANATION OF REQUESTED INCREASE FOR WORKLOAD CHANGES

Mr. ANDRETTA. Mr. Chairman, the $31,200 decrease in the lapse figure is requested in order to be able to fill some vacancies we have had in the division for some time and have not been able to fill because of the fact we have never had enough money to do it since the administrative division allotment has to carry the whole load of the whole general administration appropriation.

If the small offices get up against something and they run a little short of money, I have to bail them out. We do not have that flexibility in our operation any more, especially when we are hurting on jobs we have to fill.

For example, in the 1964 estimate, this year, to come out whole we have to pick up a lapse of about $152,000. That is the figure that sticks in my mind.

In other words, just not to fill vacancies and to carry our present force of 358 people, we must pick up $152,000 in savings.

We do not want to fill all the vacancies but are hurting in a couple of places in the division where we ought to put some help, in order to give the service they look to us for from the rest of the department and we have to provide this service for them.

When you figure out that the administrative division has not had any change in personnel to speak of in the last 20 years, since I have been in there anyway, except for the addition of the management office, we have not really beefed up our authorized positions at all, but one of the areas where we are hurting is in the budget and accounts office, Jack Brown's shop.

He has eight vacancies he is carrying and up in the Records Division they are carrying seven vacancies.

MAIL HANDLING

You can well understand the flood of citizens' mail alone that we received in the Department of Justice since this administration came

in, particularly since the civil rights business came up, and then the President's assassination. We are just flooded with mail. We have people working overtime, Saturdays and Sundays, trying to catch up.

Mr. ROONEY. Your mail in the Financial Reports Section has fallen off, has it not, quite substantially?

Mr. BROWN. Yes.

Mr. ANDRETTA. Yes, sir. I am speaking of the general mail that comes into the Department. It all comes to our Records Office and then we assign it to divisions. The volume of mail is going up.

Mr. ROONEY. That is down, too, is it not? Am I looking only at letters to the Accounting Section?

Mr. ANDRETTA. Yes, you are looking at the Accounting Section there.

Mr. ROONEY. That is down, is it not?

Mr. BROWN. Correct.

Mr. ROONEY. Where do we find these general letters you are talking about?

Mr. ANDRETTA. They are under Records.

Incidentally, there is a statement in there on Records showing the amount of money we have saved by our records retirement program.

We have saved several million dollars by retiring records as fast as we add to them so we do not have to buy any new file cabinets and we save space.

Mr. ROONEY. Are we to understand from page 9–11 that even with your buildup or beefing up of interoffice memorandums, your letter figures are still not substantially more in 1964 and in 1965 than they were in 1963?

Mr. ANDRETTA. What is the office?

Mr. ROONEY. This is shown on page 9–11, Legal and Legislative Office.

Mr. ANDRETTA. That is a very small operation. They manage the field examiners and they handle legislative matters of an administrative nature. They report on bills that are sent over by the Congress for report in connection with administrative matters. Then they also deal with submissions to the General Accounting Office and the handling of legal questions with regard to our administrative operations.

They do not have a great volume anyway. It is a very small operation.

Mr. ROONEY. Are there any questions, gentlemen?

REQUEST FOR ADDITIONAL EMPLOYEES IN AUTHORIZED POSITIONS

Mr. BOW. When you say there are no positions in this budget, I suppose you mean additional authorized positions?

Mr. ANDRETTA. Yes; none in the basic authorized force.

Mr. BOW. You are adding employees or positions already authorized?

Mr. ANDRETTA. In that context; yes, Mr. Bow.

Mr. BOW. How many?

Mr. ANDRETTA. There will be more bodies aboard than we have today.

Mr. Bow. How many do you anticipate? Could you give us a figure throughout the budget?

Mr. BROWN. That is true in certain spots, there are more, but in other spots, there are less. There is a net reduction in average employment of four.

Mr. Bow. But you do have in some areas increases of bodies and jobs?

Mr. BROWN. That is correct.

Mr. Bow. Your increases are how many in this particular one?

Mr. BROWN. This is to take care of about seven additional employees.

OVERALL POSITIONS AND EMPLOYMENT

Mr. ANDRETTA. Across the board, Mr. Bow, as the chairman pointed out, and as put in the record earlier, we will be 4 below on average employment than we have now and 50 below on authorized positions.

Mr. Bow. In actual bodies on board, you will be four below what you are now?

Mr. ANDRETTA. Right.

Mr. Bow. You expect that to go through——

Mr. ANDRETTA. 1965.

Mr. Bow. Unless you get civil rights legislation?

Mr. ANDRETTA. Exactly.

COST OF NEW CIVIL RIGHTS LEGISLATION

Mr. Bow. How many do you estimate it will be if civil rights legislation passes?

Mr. ANDRETTA. We figure about $1.5 million.

As to any bodies, I do not remember offhand.

Mr. BROWN. I think there are 60.

Mr. ANDRETTA. It practically almost doubles the present operation.

Mr. Bow. Thank you.

Mr. ROONEY. Mr. Cederberg?

CHANGES IN TOTAL REQUIREMENTS

Mr. CEDERBERG. Do I understand correctly that the number of bodies reduced is four but the increase in dollars is how much for the total operation for Justice?

Mr. ANDRETTA. You mean personnel? That would be that lapse figure.

Mr. BROWN. He is talking about the whole Department.

Mr. CEDERBERG. I am talking about the whole Department.

Mr. BROWN. For the whole Department the increase is $24,239,000

Mr. CEDERBERG. In the whole Department there are how many bodies less?

Mr. BROWN. Four.

Mr. CEDERBERG. Yet a $24 million total increase?

MAJOR ITEMS OF INCREASE, DEPARTMENTWIDE

Mr. ANDRETTA. That is correct. The construction part of that is almost 50 percent.

Mr. ROONEY. As was pointed out by the Deputy Attorney General, a substantial part of the $24 million was for prison construction. What was the figure with regard to the other items?

Mr. ANDRETTA. Other items, $6,874,000 for statutory raises; $1,749,000 was for things like the FBI promotional plan, which is the biggest item, $1,132,000.

The rest covers things like these lapse adjustments.

The total for lapse adjustments all through the Department is only $217,000. Of course, the construction item was $11,866,000, about half of our increase.

Mr. CEDERBERG. That is all.

Mr. ROONEY. Very well, gentlemen.

While it is scheduled for 2 o'clock this afternoon, we will hear the Office of the Solicitor General at 1:45. Could you make it then?

Mr. ANDRETTA. Sure.

Mr. ROONEY. We shall now recess until 1:45 this afternoon.

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

Object classification

[In thousands of dollars]

		1963 actual	1964 estimate	1965 estimate
11	Personnel compensation:			
	Permanent positions	12,521	13,936	14,766
	Positions other than permanent	186	143	111
	Other personnel compensation	925	1,318	1,196
	Total personnel compensation	13,632	15,397	16,073
12	Personnel benefits	922	1,050	1,098
21	Travel and transportation of persons	897	848	1,002
22	Transportation of things	5	5	5
23	Rent, communications, and utilities	264	232	273
24	Printing and reproduction	606	520	575
25	Other services	251	232	297
26	Supplies and materials	111	117	131
31	Equipment	120	105	96
	Unvouchered	5	20	20
	Total costs	16,813	18,526	19,590
	Change in selected resources	240		
	Total obligations	17,053	18,526	19,590

Personnel summary

	1963 actual	1964 estimate	1965 estimate
Total number of permanent positions	1,564	1,637	1,613
Full-time equivalent of other positions	21	15	12
Average number of all employees	1,497	1,545	1,555
Employees in permanent positions, end of year	1,469	1,530	1,568
Employees in other positions, end of year	89	62	32
Average GS grade	9.2	9.2	9.2
Average GS salary	$8,733	$9,262	$9,509

Mr. ROONEY. The committee will please come to order.

Gentlemen, the next general item is to be found at page 74 of the committee print and is entitled "Salaries and expenses, general legal activities."

The details begin under tab 10 of book I of the justifications. We shall at this point in the record insert pages 10–1 through 10–5 of the justification book.

(The pages follow:)

Summary analysis of estimate

[In thousands of dollars]

Appropriated, 1964	$18,573
Less transfer to GSA for rent	47
Appropriation, 1964 (adjusted)	18,526
Estimate, 1965	19,590
Increase	1,064

Analysis by activities

Office or Division	1964 requirements	Decreases	Increases	1965 estimate
Solicitor General	$510	$1	$32	$541
Tax Division	4,129	17	507	4,619
Criminal Division	3,186	17	183	3,352
Civil Division	4,173	14	255	4,414
Lands Division	3,798	209	89	3,678
Office of Legal Counsel	542	2	23	563
Internal Security Division	1,129	4	43	1,168
Civil Rights Division	1,059	13	209	1,255
Total obligations	18,526	277	1,341	19,590

This appropriation provides for the operating expenses of:

Office of Solicitor General.
Tax Division.
Criminal Division.
Civil Division.
Lands Division.
Office of Legal Counsel.
Internal Security Division.
Civil Rights Division.

It is estimated that an appropriation of $19,590,000 will be needed for fiscal year 1965 to meet the requirements of the several legal divisions listed above. This is a net increase of $1,064,000 over the amount required for 1964 after eliminating certain nonrecurring items totaling $277,000.

PROGRAM AND PERFORMANCE

The following legal activities of the Department are financed from this appropriation:

1. *Conduct of Supreme Court proceedings and coordination of appellate matters.*—This consists of supervising and controlling all appellate matters and representing the Government before the Supreme Court.

2. *General tax matters.*—This involves the prosecution or defense of cases arising under the internal revenue laws and other tax statutes.

Caseload

	Actual		Estimate	
	1962	1963	1964	1965
Pending, beginning of year	4,704	5,212	5,880	6,711
Received	7,881	9,811	10,887	11,427
Terminated	7,373	9,143	10,056	10,581
Pending, end of year	5,212	5,880	6,711	7,557

3. *Criminal matters.*—These embrace all actions in criminal law except tax, internal security, antitrust, and civil rights matters.

Caseload

	Actual		Estimate	
	1962	1963	1964	1965
Pending, beginning of year	183	202	321	325
Received	4,547	4,763	4,850	4,955
Terminated	4,528	4,644	4,846	4,995
Pending, end of year	202	321	325	285

4. *Claims, customs, and general civil matters.*—The prosecution or defense of civil suits and claims of the Government, except tax, land, civil rights, and alien property matters are handled by this activity.

Caseload

	Actual		Estimate	
	1962	1963	1964	1965
Pending, beginning of year	14,803	14,710	13,544	14,124
Adjustment to include active cases in post-judgment status	1,596			
Received	9,768	9,814	11,160	11,395
Terminated	[1] 11,448	10,980	10,580	10,790
Pending, end of year	[2] 14,710	13,544	14,124	14,729

[1] Includes 1,208 cases closed under delegation order.
[2] Corrected figure.

5. *Lands matters.*—These include all civil suits and matters relating to title, possession, and use of Federal land and natural resources, including civil litigation involving Indians and Indian affairs in which the United States is interested.

6. *Legal opinions.*—Opinions are prepared for the President and executive agencies, and proposed Executive orders and proclamations are reviewed as to form and legality.

7. *Internal security matters.*—This involves litigation and related matters concerning the internal security of the United States.

8. *Civil rights matters.*—Cases and matters involving the civil rights of persons within the jurisdiction of the United States are covered by this function.

Caseload

	Actual		Estimate	
	1962	1963	1964	1965
Pending, beginning of year	898	1,153	1,171	1,300
Received	3,414	4,158	4,400	4,500
Terminated	3,159	4,140	4,271	4,400
Pending, end of year	1,153	1,171	1,300	1,400

Mr. ROONEY. These insertions indicate the request is in the total amount $19,590,000, which would be an increase of $1,017,000, rather than the $1,064,000 at page 10–1 of the justification book, when compared with the amount appropriated in the current fiscal year.

Office of Solicitor General

WITNESSES

ARCHIBALD COX, SOLICITOR GENERAL
RALPH SPITZER, FIRST ASSISTANT TO THE SOLICITOR GENERAL

Mr. Rooney. The first of the eight parts of the item "Salaries and expenses, general legal activities," is that for the Office of the Solicitor General.

The details in regard to this office are to be found beginning at page 11–1 of the justification book, which page we shall insert at this point in the record, along with pages 11–2 through 11–5.

(The pages follow:)

Office of the Solicitor General

Appropriation, 1964	$510,000
Estimate, 1965	541,350
Increase	31,350

AMOUNT REQUESTED

It is estimated that an appropriation of $541,350 will be needed to cover the operating expenses of this Office in fiscal year 1965. The increase of $31,350 is required to comply with statutory provisions regulating the compensation and benefits of employees and to meet rising miscellaneous costs of operation.

The items of increase are as follows:

Costs due to statutory provisions, 1965 costs under 1962 Pay Act (Public Law 87–793):	
Annualization of schedule 11 increases effective Jan. 5, 1964	$5,100
Step increases due in fiscal year 1965	4,700
Savings due to 1 less compensable day in 1965	−1,100
Personnel benefits related to above	500
	9,200
Amounts required to meet current costs:	
Reclassifications authorized in 1963 (salaries $6,200, benefits $320)	6,520
Reduction in lapses (salaries $10,000, benefits $630)	10,630
Printing (briefs, records, etc.)	5,000
	22,150
Total	31,350

GENERAL STATEMENT

This is the Government's foremost legal office. Its work must be handled promptly, and with the utmost skill and care. Traditionally the Office has operated as a small, select group of highly qualified attorneys and legal assistants and so far as possible it is planned to continue it on that basis. Its authorized strength today is 27 (12 lawyers and 15 nonprofessional) which rather remarkably, is the same number employed a decade ago. The workload, however, has been increasing year by year and has reached the point when additional staff is needed if the high quality of work demanded is to be maintained. In deference to the general departmental policy to "hold the line" in employment this Office is not requesting any additional staff in 1965 although another high-grade attorney is badly needed.

Compared to the figures of 10 years ago, the number of appellate and certiorari determinations made by this Office has increased approximately 20 percent. In the last fiscal year, we considered 1,259 recommendations as to appeal, 44 as to certiorari and 150 miscellaneous recommendations—a total of 1,853; the comparable total for 1953 was 1,531.

In 1953, the Supreme Court disposed of 480 cases in which the Government participated; the comparable figure last year was 728.

The most significant cases, from the standpoint of the demands upon the staff, are, of course, those which the Court hears on the merits; i.e., the cases which must be fully briefed and argued. In 1953, the United States participated in 69 cases on the merits; in the last term of Court the number was over 100.

It is already apparent that the coming year will be an even heavier one. It is estimated that we will be filing briefs on the merits, this year, in 15 to 20 more cases than we did the preceding year. When it is considered that the briefing and argument of one of these cases may take several weeks of a lawyer's time and that the existing staff is already working long hours of overtime, it is plain that there is cause for concern.

Last year due to heavier workloads it was necessary to employ practically all of the authorized staff of 27 on a full-year basis; i.e., 26.8 man-years. This compared to an average of 25.2 in 1962 and 24.8 in 1961. However, the current year's appropriation will cover the employment of an average of only 25.3 full-year employees even though the work is increasing. An additional $10,630 is requested to enable this Office to carry its full staff for the entire fiscal year 1965 when even heavier workloads are expected.

In addition, increased funds are necessary to pay statutory salary increment, reclassifications authorized in 1963, and related personnel benefits, and the higher costs for printing which continue to rise.

Workload

	Actual			Estimated	
	1961	1962	1963	1964	1965
Cases or matters:					
Pending beginning of year	[1] 149	142	135	137	152
Received	694	708	730	755	765
Terminated	701	715	728	740	745
Pending end of year	142	135	137	152	172
Other activities:					
Appellate determinations made by the Solicitor General's Office	932	952	1,259	1,279	1,284
Certiorari determinations made by the Solicitor General's Office	409	400	444	454	465
Miscellaneous recommendations passed on in the Solicitor General's Office	199	173	150	170	175
Total cases or matters	2,383	2,375	2,718	2,795	2,841

[1] Figure corrected to adjust omissions in 1959 report.

Mr. ROONEY. They indicate that the request for this Office is in the amount $541,350, an increase of $31,350 over the amount appropriated in the current fiscal year.

The details with regard to the $31,350 are to be found at page 11–2 of the justification book.

It would appear from this, Mr. Andretta, that $9,200 is by way of statutory costs which must be paid, and that $22,150 is not in that category at all. That is correct.

Mr. ANDRETTA. That is correct.

Mr. ROONEY. And that of the $22,150, $6,520 is for reclassifications, $10,630 is entitled "Reduction in lapses," and $5,000 additional is for the printing of briefs and records.

We are indeed honored to have with us the distinguished Solicitor General of the United States, Mr. Archibald Cox, and will inquire of him if he has anything to say with regard to the alleged necessity of this increase of $22,150.

GENERAL STATEMENT

Mr. Cox. Thank you, Mr. Chairman. I think I can explain it very briefly.

Let me say first, as is almost inevitable in the nature of the Office, there are no new programs and no change in the number of personnel. Our work continues to be primarily that of representing the Government in the Supreme Court.

Both the long- and short-term volume of work is up, and we would like to have asked for an additional attorney.

INCREASE FOR PRINTING COSTS

Of the three items, the printing is a very small increase when compared to the total cost of our printing and reproduction. Largely as a result of the committee's prodding, we have cut away down on the overtime during the past year, and we think we have the printing costs pretty well under control. This would no more than take care of the added number of briefs really, without any increase in the unit cost of printing, which we do not control.

REDUCTION IN LAPSES

The reductions in lapses result from the fact that we are a very small office, and I am happy to say there has not been the turnover which there had been before.

Mr. ROONEY. How many do you presently have on the rolls, Mr. Solicitor General?

Mr. Cox. Twenty-seven, twelve classified as lawyers and fifteen others. There are really only nine lawyers working on briefs. When I say working on briefs, I mean writing and revising them and arguing cases.

Mr. ROONEY. Yet you say, according to page 11–7, you have practically no lapses so far as those 27 employees are concerned.

Mr. Cox. That is true, Mr. Chairman.

Mr. ROONEY. The figure is 0.1.

Mr. Cox. Yes.

Mr. ROONEY. Please go ahead.

RECLASSIFICATIONS

Mr. Cox. The other item, the reclassification, is simply a reclassification upward after the normal period of some of the younger men in the office.

Subject to questions, Mr. Chairman, I think that covers the three points that are involved.

Mr. ROONEY. Thank you very much, Mr. Solicitor General.

Mr. Cox. Thank you, Mr. Chairman.

Tax Division

WITNESSES

LOUIS F. OBERDORFER, ASSISTANT ATTORNEY GENERAL
C. GUY TADLOCK, EXECUTIVE ASSISTANT

Mr. Rooney. The next of the eight items that make up "Salaries and expenses, general legal activities," is that for the Tax Division. The details are to be found under tab 12 of the justifications, and indicate that the request is in the amount of $4,618,500, which would be an increase of $489,800 over the amount appropriated for the Tax Division in the current fiscal year.

We shall at this point insert in the record pages 12–1 through 12–36 of the justifications.

(The pages follow:)

Tax Division

Appropriation, 1964	$4,143,700
Less transfer to GSA for rent	(—) 15,000
Appropriation, 1964 (adjusted)	4,128,700
Estimate, 1965	4,618,500
Increase	489,800

The Tax Division under the direction of an Assistant Attorney General has the responsibility of representing the United States and its officers in civil and criminal litigation arising under the internal revenue laws pending in all Federal and State courts, except the Tax Court of the United States.

The Division's duties in civil tax litigation include (1) the preparation and trial of cases in the U.S. district courts, the U.S. Court of Claims and States courts; (2) the preparation of briefs and the conduct of oral agreements in the U.S. Court of Appeals, including appeals from decisions of the Tax Court, and in State appellate courts; and (3) the preparation of petitions for certiorari and briefs and the conduct of oral arguments in the Supreme Court of the United States on assignment by, and under the supervision of, the Solicitor General. The Division exercises compromise and settlement functions with respect to civil tax litigation. It has jurisdiction over questions of intergovernmental tax immunity, whether arising by reason of an attempt by a State to impose a tax upon the exercise of the Federal power or by reason of resistance on the part of a State to the imposition of a Federal tax.

The Division's responsibilities with respect to criminal offenses under the revenue laws include the control and supervision of the institution of criminal proceedings and collaboration with U.S. attorneys in the conduct of such proceedings in the trial and appellate courts. Excluded from its jurisdiction are liquor and narcotic tax matters and offenses under the Wagering Tax Act.

AMOUNT REQUESTED

The tax Division will require an allotment of $4,618,500 for 1965, an increase of $489,800 over the amount available for 1964. The additional funds will provide for the restoration of part of the new personnel disallowed by the House bill for 1964, approximately a 10-percent increase in litigation expenses, and the costs of statutory provisions relating to Government personnel, as well as providing a realistic promotional plan for young attorneys who are now committed to at least 4 years of service with the Division.[1]

[1] The Tax Division now obtains a 4-year commitment from new appointees, most of whom enter at grade GS–9 shortly after graduation from law school, and provision must be made for regular promotions based upon performance and increased competence. Heretofore, young attorneys have remained with the Division for an average of only 2 years. It is estimated that the 10-percent increase in new work expected during 1965 can be absorbed by the present staff if attorneys are held to their 4-year commitment and are promoted regularly.

The 1965 estimate provides for the following increases:

Costs due to statutory provisions:	
1965 costs under 1962 Pay Act (Public Law 87–793):	
Annualization of schedule II increases effective Jan. 5, 1964	$86,500
Step increases due in 1965	78,000
Savings due to 1 less compensable day in 1965	—13,000
Personnel benefits related to above	16,300
Total	167,800
New promotional policy as alternative to increasing staff:	
Salaries	100,000
Benefits	7,200
Total new promotional policy	107,200
Increased amount needed to carry new personnel authorized in 1964 on a full year's basis in 1965:	
Additional staff allowed by House (15)	[1]144,800
Deduct nonrecurring costs	18,800
Less transfer to GSA previously deducted from 1964 availability	15,000
Balance	3,800
Recurring annual cost	141,000
New staff authorized by conference action:	
Salaries (13 attorneys)	121,185
Benefits re above	9,115
Travel	8,000
Communications	1,000
Printing	2,500
Contractual services	600
Total	142,400
Total annual cost of 28 new staff authorized for 1964	283,400
Funds provided for new staff in 1964	—144,800
Annualization necessary in 1965	138,600
Increases in litigative and other costs due to greater workload:	
Travel	30,000
Communications	19,500
Printing	19,000
Other services	4,300
Supplies	3,400
Total increase	76,200
Grand total	489,800

[1] Annual cost.

GENERAL STATEMENT

The volume of tax litigation continued its upward spiral in fiscal 1963. Taxpayers brought suits in increasing numbers for the refund of taxes; and the Revenue Service extended its drive against delinquent taxpayers. The number of requests from the Revenue Service to enforce administrative summons rose steadily; while there was an increased effort by taxpayers to enjoin the collection of assessed taxes. Finally, there was no letup in the enforcement of the criminal tax statutes, and the Revenue Service forwarded more cases for prosecu-

tion than any time in the past 6 years. The Tax Division must be in a position to receive and handle this increased volume of work. It has, for the most part, no control over the number or types of revenue cases and matters it is called upon to handle. The basic program of the Division depends upon enforcement plans of the Internal Revenue Service and takes into account the current plans of that agency which call for a marked increase in enforcement activities, activities which generate tax controversies in the courts. The Division's programing must call for the development and adoption of procedures and techniques which will assure speedy handling and disposition of the increased number of cases in a manner calculated to encourage adherence to the revenue laws.

Since the Treasury Department launched its current plan in 1961 to raise the level of enforcement and to encourage otherwise full compliance with the tax laws, the Congress has authorized more than 10,000 new Treasury enforcement personnel. In order to be in a position to backstop Treasury's enlarged effort, the Tax Division with the help of the Congress has expanded its own program in the past 2 years. Early in 1961 a plan was developed which called for the Division to move to the offensive in all litigation, especially in refund suits, and concentrated effort was made to establish special tax dockets throughout the country. Such programing, broadened considerably in the past year, has proven not only to have been essential in view of developments, but also indicates even greater success in resisting efforts to frustrate the revenue collection process.

The principal problem facing the Division over the past two decades has been the steady rise in the volume of tax litigation. This growth is revealed by the following tabulation:

	1963	1962	1961	1960	1955	1950	1947
New tax cases in court:							
Civil	9,068	7,142	6,159	5,783	3,959	2,731	1,465
Criminal	743	739	726	686	585	360	395
Total	9,811	7,881	6,885	6,469	4,544	3,091	1,860

DETAILED EXPLANATION OF ESTIMATE BY ACTIVITY

The work of the Tax Division is divided into two main categories; i.e., civil and criminal tax litigation and matters. However, the Division represents a single activity under the appropriation for general legal activities. Civil cases and matters comprise 92 percent of the volume of work, and criminal the remaining 8 percent. Likewise, civil work accounts for about 90 percent of the cost of operations.[2]

A. Workload data and past year's performance

There was a sharp rise in new business in fiscal 1963.[3] Nevertheless, the Division made considerable progress in enforcing the revenue laws and in keeping up with the workload: closings reached a new high; time intervals were at their lowest and, for the most part, court deadlines were met; work production figures set new records; the margin of success was further improved; criminal convictions reached a 6-year high; collections were at an alltime peak; and over $100 million was saved for the Treasury.

1. *Workload data and backlog.*—(*a*) Workload and predictions: There is every indication that the upward trend in the volume of tax litigation will continue. (See section on work pending and anticipated, infra.) The situation is revealed by the following table, which in addition to showing the actual situation for the past 13 years, makes predictions for the current and budget years.

[2] Twenty-seven attorneys are assigned to criminal tax work, about 10 percent of the authorized legal staff. During rush periods, attorneys and clerical employees from other sections are assigned temporarily to criminal tax work.

[3] Following on the heels of a 14-percent increase in fiscal 1962, new tax cases jumped 21 percent in 1963. The statistical presentation, supra, shows a 25-percent increase. However, 4 percent was due to a change in the improved reporting system. Likewise, 4 percent of the increase in closings was due to such changes leaving an increase of 20 percent.

Workload data: Actual, 1950–63, estimated 1964–65

Work	Actual													Estimated	
	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965
Pending	4,454	4,875	5,540	6,060	6,770	6,210	5,064	4,685	4,386	4,261	4,416	4,704	5,212	5,880	6,771
Received	3,130	3,836	4,360	4,314	4,544	4,827	5,225	5,811	6,227	6,469	6,885	7,881	9,811	10,887	11,427
Closed	2,709	3,171	3,294	4,150	5,104	5,973	5,604	6,110	6,352	6,314	6,597	7,373	9,143	10,056	10,581
Pending	4,875	5,540	6,606	6,770	6,210	5,064	4,685	4,386	4,261	4,416	4,704	5,212	5,880	6,771	7,557

NOTES TO AS PREDICTIONS

Received: Increased 25 percent in fiscal 1963, and it is predicted that new work will go up 10 percent in 1964 and 5 percent in 1965.

Closed: Increased 24 percent in fiscal 1963, and it is estimated that closings will increase approximately 10 percent in 1964 and approximately 5 percent in 1965.

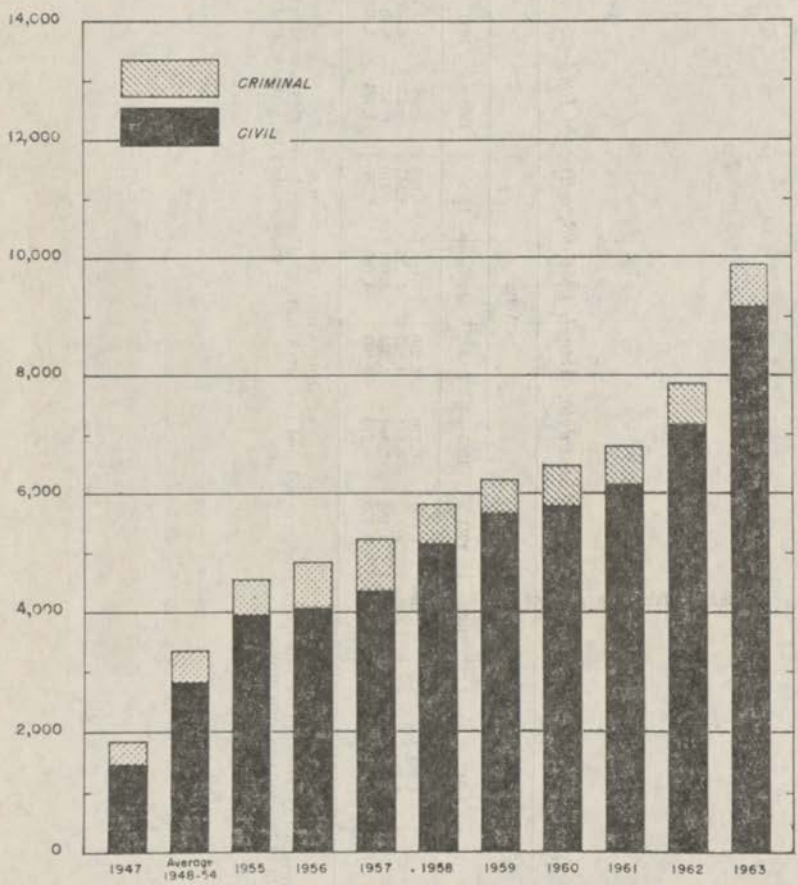
In presenting the workload data chart with the justification for the 1964 fiscal year it was predicted that the Division would receive 8,275 tax cases and matters in fiscal 1963 and close 7,889. Receipts totaled 9,811 while closings were 9,143 with the result that the pending workload increased by 668 cases.

(*b*) Backlog: As indicated in the workload tabulation, supra, the backlog increased at the end of the 1963 fiscal year despite an increase in closings. Higher receipts were the principal cause of this increase. If the volume of new cases had risen 5 percent (as predicted) or even as much as 15 percent (instead of 25 percent), the backlog would have been cut in fiscal 1963.

The backlog increase for the fourth consecutive year is a cause for concern. Every effort should be made to insure that the number of pending cases will not reach the proportions experienced in the early 1950's. The following charts reveal the upward trend in both receipts and closings, as well as the marked increase in both in the past fiscal year and show the serious situation developing in the backlog of tax cases.

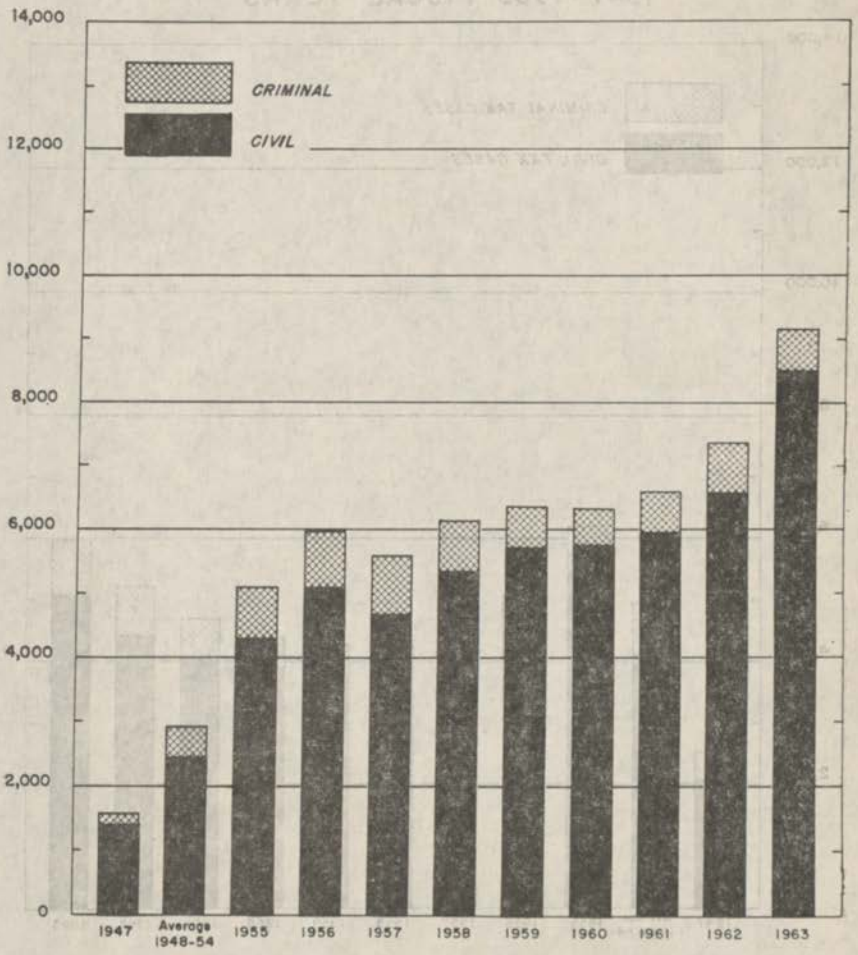
TAX DIVISION

TAX CASES RECEIVED



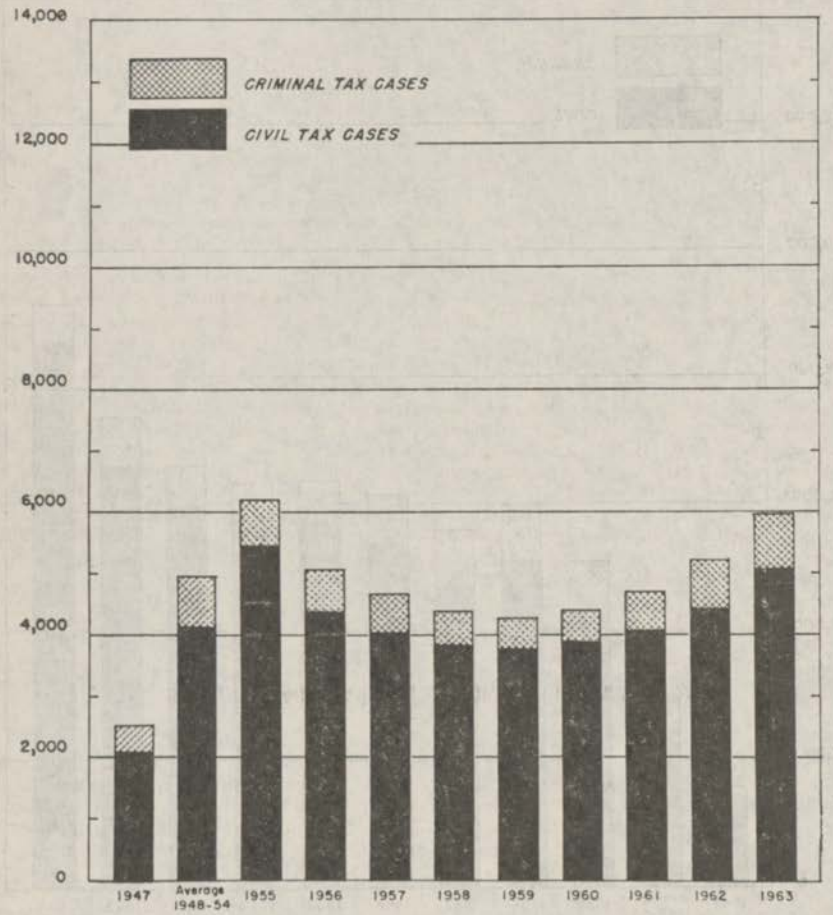
TAX DIVISION

CLOSED TAX CASES



TAX DIVISION

BACKLOG OF TAX CASES
1947-1963 FISCAL YEARS



Backlog reduction cannot be predicted for fiscal 1964 and 1965 because of the anticipated rise in new cases and, further, because the work is on a more or less current basis. In the years of large backlogs (1952 and 1953) it required more than twice as long to handle a tax case as it did in the period 1960–63. (See sections in speedup and currency of work, infra.) Emphasis will be directed toward increases in backlog to keep it manageable and to keep the work current. It is hoped that the high peaks of former years can be avoided.

2. *Work production.*—Work production has risen steadily in the last 11 years. For example, this is the sixth straight year the legal staff made more than 1,000 formal court appearances to try or argue cases.

	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953
Cases tried or argued	[1] 1,217	1,296	1,198	1,131	1,281	1,017	922	921	756	683	578
Briefs prepared	1,617	1,534	1,398	1,114	1,071	976	946	933	789	731	583
Pretrials conducted	1,389	779	575	492	438	387	243	[2]	[2]	[2]	[2]
Legal memorandums	3,610	2,992	2,949	2,826	2,812	2,607	2,847	2,485	2,059	1,941	1,728
Responsive pleadings	1,418	1,342	1,243	1,478	1,405	1,096	1,053	1,014	896	[2]	[2]
Complaints filed	436	336	273	359	427	285	175	141	116	196	140

[1] Civil trials were up while criminal trials (handled by U.S. attorneys) were down somewhat.
[2] Figures not available.

Tax Division attorneys conducted 93 percent of all trials and arguments in fiscal 1963, a 1-percent increase over last year. In addition, hundreds of court appearances were made by Division attorneys to argue motions, conduct pretrial conferences, etc.; increased use was made of the discovery procedures provided for in the Rules of Civil Procedure; e.g., taking of depositions, serving interrogatories, requests for admissions and the production of documents; and, numerous field trips were made to examine witnesses and exhibits and to otherwise prepare cases for trial. The Division's staff has taken the offensive in all litigation.[4] The Division represents the defendant in refund suits and while the former practice was to await moves by the plaintiff, the Government now is taking the initiative and, in addition to making early discovery, is exploring possibilities for counterclaims and is urging early court determinations through the extensive use of pretrials and special tax calendars. The following tabulation reflects the increased activity of the legal staff in the preparation of cases for trial or other disposition:

	1963	1962
Depositions	1,411	777
Other discovery actions	365	137

3. *Speedup.*—The Tax Division continued the speedy handling of litigation and continued to remove roadblocks to expeditious conclusion of court cases. The pace set in recent years was maintained in (1) holding the number of requests for extensions of time to file responsive pleadings and in requesting continuances to a minimum; (2) shortening (to a record low) the time to conclude an average case; (3) reducing the period required to process settlement offers; (4) speeding up the time required to process criminal tax cases; and (5) expediting the time required to get checks into the hands of taxpayers who had been successful in refund suits.

[4] The dramatic increase in the use of pretrial procedures has enabled the Division to dispose of more cases at an early stage of litigation, thus conserving the time of our lawyers as well as that of the courts.

Every case and matter was handled with maximum dispatch as revealed by the following summation:

	1963	1962	1952
Average time[1] to:			
Dispose of a tax case	1 year, 1½ months	1 year, 3 months	3 years.
Process a criminal case in Department.	3 months 21 days	3 months, 26 days	8 months, 15 days.
Process a settlement offer	2 months, 15 days	2 months, 17 days	6 months.
Issue a check to a taxpayer	1 month, 16 days	1 month, 9 days	7 months, 16 days.
Average number of extensions per case	0.15	0.14	2.+.

[1] Includes time in Revenue Service.

4. *Success.*—The high margin of success in handling tax litigation in the courts was maintained during fiscal 1963. Convictions were obtained in 97 percent of the criminal cases disposed of during the year. The following figures compare recent results with various periods in the past:

[In percent]

	1963	1962	1961	1955	1950	1948
Government wins	70	69	70	61	67	69
Taxpayers' recoveries	26	39	27	27	52	61
Criminal convictions	97	96	95	93	98	95

Final results in the Supreme Court term for tax cases shows nine Government wins and no losses. The issues in those cases attracted nationwide interest, involving many millions of dollars in tax liability, and had far-reaching consequences for the assessment and collection procedures of the Revenue Service.[5]

The Government's position was upheld in 236 of 318 decisions of the courts of appeal (a 74-percent margin) while the Government was successful in 451 of 640 trial court judgments (a 70-percent margin).

[5] Among the tax matters resolved by Supreme Court litigation in the last term were decisions (1) granting priority to Federal tax liens over a mortgagee's claim for an attorney's fee incurred in prosecuting a foreclosure suit; (2) sustaining the applicability of the collapsible corporation provisions to tax gains as ordinary income although the taxpayer-stockholders would have realized capital gain had they conducted the enterprise without utilizing a corporation; (3) holding that unrepaid loans by a taxpayer engaged in organizing, financing, and managing corporations to his 80-percent owned corporation did not constitute fully deductible "business" bad debts; (4) ruling that the income tax treaty between the United States and the United Kingdom did not exempt from U.S. tax capital gain realized by the Connecticut inter vivos trust whose beneficiaries were all British residents; (5) requiring an accrual basis dance studio to return as income advance payments from customers without regard to whether the amounts had been "earned" by the giving of lessons; (6) declining to permit the deduction by a husband of his legal expenses allocable to the property settlement aspect of a divorce proceeding, and of fees paid to his wife's attorneys for similar services; (7) rejecting a claim that evidence had been unlawfully secured under a promise of immunity embodied in the former voluntary disclosure policy of the Treasury Department in upholding the criminal conviction of prominent taxpayers; (8) holding that for percentage depletion purposes, the "mining" of limestone extended only to crushed limestone and did not include all the processes employed by the taxpayer in making finished cement; and (9) reversing a New York Court of Appeals' decision that local real estate taxes were expenses of sale in a mortgage foreclosure proceeding and thus prior to a Federal tax lien against the property of the taxpayer-mortgagor. The court also affirmed, without briefing or argument, on the Government's direct appeal challenging the constitutionality of the Illinois retailers' occupation tax as applied to sales made to the United States.

The conviction of 597 persons for tax fraud brought to 6,428 the number found guilty in the past 10 years, and 9,328 in the past 31 years. The number of convictions for the past 6 years is revealed by the following figures:[6]

Convictions:		Convictions—Continued	
1963	597	1960	473
1962	552	1959	497
1961	462	1958	492

5. *Savings and recoveries.*—As a direct consequence of the activity of the Tax Division, $127 million was saved for the Treasury or collected from taxpayers during 1963.[7] The Department saved the Treasury $93.2 million in refund suits. The Tax Division obtained judgments in collection suits against delinquent taxpayers in the amount of $24.3 million during 1963 compared with $16.2 the year before. The Division upheld in the appellate courts decisions in the Tax Court against taxpayers in the amount of $8.4 million.[8] Finally, $1.138 millon was levied as fines against persons convicted of criminal violations of the tax laws.

On the debit side, $4,599,131 was paid in interest on judgments in refund suits. However, a reference to the section on speedup (supra) will reveal that the average time to process a case has been cut better than 50 percent in the past 10 years and that the average time required to get checks into the hands of successful taxpayers has been cut from 7½ to 1½ months, such actions resulting in a savings of at least $1,500,000 in interest in fiscal 1963.[9]

6. *Current posture of tax litigation.*—One of the principal objectives is the handling of civil tax cases and matters in the most efficient and expeditious manner commensurate with the best interests of the United States and taxpayers, and to prosecute swiftly and vigorously criminal violations of the revenue laws, having in mind the deterrent effect upon future violations as well as the rights of the individuals involved.

A reference to section 3, supra, will indicate the speedy course of cases through the Division and the courts. As a result of the acceleration in the past few years, only about 17 percent of the cases in the Division at the end of fiscal 1963 had been pending more than 2 years.

Cases under 2 years old—End of fiscal year

[In percent]

	1963	1962	1961	1956	1955
Criminal cases	94	92	92	63	53
Civil cases	80	81	80	67	56
Total	83	84	83	65	55

7. *Tax Division's role in organized crime program.*—Throughout the past two and a half years the Tax Division has worked to coordinate its prosecutive activities with those of the Criminal Division in the prosecution of organized crime. An effective working arrangement has been set up whereby cases involving racketeers and cases in which the taxpayer's income derives from criminal activities are called to the attention of the Criminal Division. The

[6] There were 73 jury trials in criminal cases with the Government obtaining convictions in 54 or a 74-percent margin. This compares with convictions in 61 percent of the jury trials last year.

[7] This represents a return of $33.40 for each $1 of operating funds spent in 1963. The total last year was $120.1 million.

[8] In addition to the direct savings accomplished, the decisions in the lower and appellate courts protect the revenue and affect the outcome of other cases in litigation as well as the determination of other cases at the administrative level; and the decisions' precedent value influences taxpayers and their attorneys in the planning of transactions, the preparation of tax returns and in deciding whether to contest deficiency assessments made by the Commissioner. This indirect revenue effect, while not susceptible to calculation, may well dwarf the determinable dollar savings by comparison.

[9] Compared with the total of $127 million accruing to the Government, $49.7 million was either paid to taxpayers in refund suits ($32.2 million), or was uncollectible in collection suits.

Criminal Division refers to the Criminal Section of the Tax Division cases developed in connection with the investigations of organized crime and racketeering. Tax Division jurisdiction over such cases remains the same as in other criminal tax prosecutions. The manner of processing and the standards for prosecution of racketeer tax offenders is the same as is uniformly applied to other offenders. As a result of the Tax Division's working arrangement with the Criminal Division the attorneys of the Tax Division's Criminal Section are able to bring their specialized knowledge of the requirements for successful tax prosecutions to bear on the cases of racketeers with the same high percentage of success as is achieved in the nonracketeer category.

At the close of the fiscal year June 30, 1963, some 129 tax cases in the racketeer category were pending in the Tax Division or were in the indictment stage. This reflects a significant increase in the work in this area over preceding years.

8. *Procedural and administrative improvements—manpower utilization.*—During the past year the Tax Division broadened programs commenced in 1961 and 1962 to insure the fullest preparation of cases for trial. Emphasis continued to be placed upon full utilization of available manpowerr. The field office in Fort Worth, Tex., was continued on an experimental basis; further progress was made in establishing special tax dockets to handle civil tax cases in the Federal district courts (such dockets have been set up in Birmingham, Mobile, Chicago, Cincinnati, Detroit, Philadelphia, Baltimore, New York City, Kansas City, Wichita, Omaha, Des Moines, Denver, Jackson, Miss., Charleston, W. Va., and Milwaukee and are being established in New Orleans, San Francisco, and other major cities); the informal review procedure which makes it possible more quickly to determine which cases should be tried and which should be settled was extended and a vigorous program of discovery in the preparation of civil cases was continued. Administratively, the Division adopted a system which accomplished much of its secretarial work by mechanical means; and completed the revision of its reporting system in order to obtain more varied data in a much shorter period of time.

(*a*) Fort Worth field office: Though it is still too early to make a final evaluation of the feasibility of operating such a field office on a permanent basis, our preliminary figures at least show that there has been considerable success in speeding up the disposition of cases in the area.

On March 1, 1962, there were 298 cases pending in the 12 districts covered by the operation of the field office of which 110 were over 2 years old. By June 30, 1963, 236 cases, or 79 percent of the caseload pending on March 1, 1962, had been closed and the number of cases over 2 years old had been reduced at 53. Of these 53 overage cases 25 are in the Eastern District of Louisiana where general court congestion limits our efforts to speed up the disposition of our cases.

Despite this relatively high rate of closings, the pending caseload in the Fort Worth office on June 30 had increased by 28 cases due to a marked increase in receipts (264) during the period March 1, 1962, to July 1, 1963.

We have heard no criticism of the operation. On the contrary, there have been numerous compliments from judges, lawyers, and Revenue personnel.

(*b*) Mechanical dictation: With three objectives in mind—i.e., alleviation of the stenographic shortage, full utilization of available personnel, and economy in operation—the Tax Division is carrying out a program of extensive use of dictating machines.

After a pilot study last year, it was concluded that a good portion of the Division's typewritten communicaitons could be accomplished by mechanical means. Thereafter, facilities were installed to permit telephone dictation together with the use of individual machines. Problems of training and orientation of both dictators and transcribers are being overcome and the initial objectives are being achieved.

Control procedures and daily and weekly written reports and almost daily supervision by top administrative personnel have insured that the equipment is used to the fullest extent. Company representatives train new personnel and conduct periodic refresher courses for the entire staff. Results are already apparent. In requesting nonlegal support for 25 attorneys for the current year, only 5 stenographers and typists were included in the estimate. The previous ratio of one stenographer for two attorneys has been replaced with a ratio of 1 for 3; and because a considerable portion of the work is done by mechanical means, the new ratio has proven to be satisfactory.

The Tax Division will continue to review its methods of operation and steps will be taken to improve the processing and handling of cases and to modernize the office procedures in Washington.

Measures adopted in the past continue to benefit the work in a variety of ways.[10]

A program to discourage use of commercial telephone and telegraph facilities and to facilitate employment of GSA wire service, with each call made at a fraction of the former cost, made it possible to use the telephone more freely in the stepped-up efforts of discovery and settlement negotiations. And, the savings resulting from the establishment of special tax dockets made it possible to finance more trials and arguments, 610 more pretrials and the taking of 1,411 depositions, 634 more than last year.

The unexpected 21-percent rise in new work, prevented these and other procedural and administrative changes and improvements from producing substantial monetary savings. The Division will, however, be able to cope with the increased new work without requesting additional personnel.

9. *Comparisons.*—Recent years have seen a change in the organization, operation, and prominence of the Tax Division. The size of the staff has doubled while the number of new cases and the volume of work produced have more than doubled as revealed by the following figures:

Percent increase, 1963 over 1952

Cases received	156
Cases closed	188
Court appearances	148
Briefs prepared	221

10. *Summary.*—In summary, the Tax Division's performance under the budget allotment covering the past year shows (in the face of a record number of new cases) (*a*) increased work production, (*b*) continued acceleration of all phases of case processing and litigation, (*c*) maintenance of a high margin of success in winning cases, (*d*) increased collection from delinquent taxpayers, (*e*) substantial monetary savings in principal and interest in litigated cases, and (*f*) the broadening of several procedural, operating, and administrative changes which are contributing to better performance and fuller utilization of manpower.

B. Work pending and anticipated—Current and budget year's program

1. *Pending.*—There were 5,880 cases involving $633 million pending at the beginning of the current fiscal year.[11] This represented an average caseload per attorney of 33 cases involving $3.6 million. It has been estimated that 10,887 cases will be received in the current year (a 10-percent increase) and that the staff will be required to handle 16,767 cases or 84 cases per attorney.[12]

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[10] The Trial Section was reconstituted as four sections, three to handle refund suits in the Federal district courts and one to be responsible for refund suits in the Court of Claims; and, all four sections placed under the general supervision of an assistant for civil trials. The Claims Section was renamed the General Litigation Section. In addition, the Compromise Section was renamed the Review Section and not only will its settlement functions be expanded and coordinated more effectively with the civil trial sections, but it will be given the added responsibility for research in the legislative and general legal areas. A procedure has been adopted which alerts taxpayers counsel immediately after cases are filed of the machinery available for working out stipulations, completing discovery and exploring settlement possibilities. Criminal and Civil Tax Liaison Committees were established between the Tax Division and the Internal Revenue Service which continue to meet regularly to eliminate unnecessary and wasteful litigation. A Litigation Control Unit established within the Division, in 1957, continues to expedite the flow of cases and matters through the Division and through the courts.

[11] The pending load was the largest in the past 7 years.

[12] In view of a 21-percent increase in work in 1963, and a 14-percent increase in 1962, it is believed that the 10-percent increase for fiscal year 1964 and a 5-percent increase for 1965 represents a very conservative estimate. A comparison of predictions with actual receipts over the past few years indicates the degree of accuracy which has been made in estimating new work:

	1963	1962	1961	1960	1959	1958
Predicted	8,275	7,225	6,800	6,540	6,400	5,833
Actual	9,811	7,881	6,885	6,469	6,227	5,811

At the beginning of the budget year there should be approximately 6,711 cases pending or 33 cases per attorney (based upon an increase of 25 attorneys requested for the current year). During the budget year it is estimated that about 11,427 cases will be received. If the average caseload is to be maintained at 32 to 34 pending cases and 75 to 80 cases handled, the present staff must be maintained at full strength. If the assignment per attorney is allowed to increase above these figures a slowdown is inevitable, the margin of success will likely drop, and there will be a danger of a sharp increase in backlog and turnover of personnel.

2. *New tax litigation.*—(*a*) General: Every criteria points to a continued increase in tax litigation in the current and budget years. The Division would be justified in requesting at least a 10-percent increase in staff. The Internal Revenue Service is in the midst of its stepped-up enforcement and collection program; the number of insolvencies (which threatens the collectibility of taxes) continues to climb, defense spending is again on the rise, and the population and economy continue to grow. These factors create tax controversies in the courts, controversies which not only deserve expeditious and expert handling, but which affect the tax consequences of millions of people and billions of dollars. The Congress has provided the means for the Tax Division to keep pace with the increase in revenue cases over the past decade. The increase requested for 1965 will maintain the staff at its present operating efficiency.

(*b*) Treasury's enforcement and collection program: In planning for the future, we must take into account the long-range plans of the Revenue Service which call for a sharp increase in enforcement activities. Since the inauguration of the program in 1961, Congress had increased the enforcement staff of the Service by more than 10,000 employees. As was noted in the request last year, the Division has no control over the number of new cases and its program must depend upon the enforcement activities of the Revenue Service. Testimony before the House Appropriations Committee in support of funds for 1964 by the Secretary of the Treasury and the Commissioner indicated that the program will be continued with new emphasis in the next few fiscal years; with hundreds of thousands of additional returns audited each year.[13] The committee, in its report, House Report No. 179, 88th Congress, 1st session, recognized "the increase in the volume of work and in complexity of tax laws * * *." It is apparent that the Tax Division must continue to expand its program and activities in order to back up the Treasury program.

(*c*) Federal immunity problems: The Tax Division is continually being called upon to resist a variety of State and local taxes which various Government departments and agencies considered improperly assessed against them, their personnel, contractors, or others with whom they dealt.

Because of the continued growing importance of sales and use taxes in the tax structures of States and municipalities, the largest sums of money were involved in cases contesting the imposition of such taxes on contractors who are entitled to reimbursement therefor from the Government under their cost-plus contracts. Most significant of those cases, still pending at yearend, is *United States and Union Carbide* v. *Boyd* involving over $10 million in taxes accrued since 1956 as well as between $2 million to $3 million annually for future years. Union Carbide operates the Oak Ridge plant for the Atomic Energy Commission.

In *Ford Motor Co. (United States, Intervenor)* v. *Lorenz*, $1,911,811.75 was assessed against Ford as ad valorem taxes; there are many other cases involving this type of tax.

The validity of State inheritance taxes on gifts to the United States are being contested in New Jersey and Texas.

Cases in this area jumped 12 percent in 1963, and many more times this percentage in importance and in money involved.

(*d*) Insolvency proceedings: Further expansion of business activity, increase in population, easing of credit, and related factors, have continued to create rises in the number of insolvency proceedings. In a good percentage of such proceedings (bankruptcies, receiverships, foreclosures, etc.) delinquent tax claims are involved; and if the needed revenue is to be obtained vigorous court action must be taken when it is profitable to do so.

The Director of the Administrative Office of the U.S. Courts in his annual report for fiscal 1963, reports another rise in bankruptcies and predicts a

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[13] It was noted that about 2 million more returns are being filed each year; and audits returned will increase by 52 percent in 1964.

continued rise over the next few years (there was a 20-percent jump in July of 1963). The recent trend is revealed by the following figures:

Fiscal year—	*New petitions filed*	Fiscal year—Con.	*New petitions filed*
1963	155,493	1957	73,761
1962	147,780	1956	62,086
1961	146,643	1955	59,404
1960	110,034	1954	53,136
1959	100,670	1953	40,087
1958	91,668		

The increase in mortgage foreclosures has paralleled the increase in bankruptcies and the number of such actions in which the United States is named as a party defendant because of the existence of a tax lien increased sharply again in fiscal 1962. In the nonfarm real estate foreclosure report for the first quarter of the calendar year, the Federal Home Loan Bank Board released the following figures:

Calendar year—	*Number of foreclosures*	Calendar year—Con.	*Number of foreclosures*
1962	86,444	1957	34,204
1961	73,074	1956	30,963
1960	51,353	1955	28,529
1959	44,075	1954	26,211
1958	42,367	1953	21,473

The increase in insolvency actions has a direct effect upon the work of the Tax Division inasmuch as it is essential to pursue with all vigor those claims for taxes which are contested in court.

3. *Summary.*—In the fiscal years 1964 and 1965, the staff of the Tax Division will be required to handle a record volume of work. Each attorney should handle no more than 30 to 33 pending cases at any one time and no more than 75 to 80 cases in 1 fiscal year. Revenue Service's enlarged enforcement program, greater use of ADP, the expanded activities of the Federal Government, and the increase in insolvencies will create many hundreds of additional tax controversies in the courts. It has been estimated that receipts will increase 15 percent over the next 2 fiscal years and if the manageable caseload is to be maintained, the present staff must be continued.

C. Details of request

1. *Personal services.*—Funds are requested to cover the compensation and the cost of personal benefits of the same number of employees as is presently authorized. The allotment recommended for the budget year will provide for the following 408 net positions.

	Attorneys	Nonlegal	Total
Executive	8	72	80
Appellate	55	25	80
General litigation	44	20	64
Criminal	27	12	39
Court of claims	21	8	29
Refund trial No. 1	26	10	36
Refund trail No. 2	25	12	38
Refund trail No. 3	13	5	18
Review	17	8	25
Total	236	172	408

(*a*) Executive: The 8 legal and 72 nonlegal positions cover the Office of the Assistant Attorney General and his immediate assistants, the Litigation Control Unit, administrative, statistical, docket, digest, library, and messenger personnel, and stenographers, typists, and machine transcriptionists in the Secretarial Units. Direct executive direction accounts for only 9 of the 80 positions.[14]

[14] The remaining 71 employees service the operating units of the Division but are assigned to and directed by the executive assistant to insure maximum efficiency in manpower utilization and avoidance of idle time in one section corresponding with overloads in another due to the continued fluctuations in work volume which inevitably occur.

(*b*) Criminal Section: The increased activities of the Tax Division in the organized crime program coupled with the expected increase of regular criminal tax cases in 1964 and 1965 make it necessary to maintain the legal staff of the section.

(*c*) General litigation: Civil litigation involving bankruptcy, receivership, and other insolvency proceedings, summons enforcement and injunction cases, regular collection suits against delinquent taxpayers and Federal immunity matters are increasing substantially. Regular collection suits rose 66 percent, insolvency proceedings were up 26 percent and lien foreclosure actions jumped 25 percent. The enforcement program of the Revenue Service foretells a continuation of the increase in the volume and importance of the use of civil process to collect taxes from delinquent or recalcitrant taxpayers, and to aid Service investigation by summons enforcement.

(*d*) Refund trial sections: Refund suits in the district courts and the Court of Claims increased 7 percent in fiscal 1963, and will increase at least 5 percent in each of the fiscal years 1964 and 1965. The suits for the refund of taxes already paid into the Treasury involve directly over one-half billion dollars; and, over $200 million is in controversy in new cases received each year. The present staff is the minimum needed to adequately prepare and try these cases, making full use of discovery procedures and properly briefing the law.

(*e*) Appellate section: Proceedings in the appellate courts jumped 49 percent in fiscal 1963, while the margin of success (74 percent) equaled the highest figure on record which was achieved last year. The number of civil and criminal appeals grow as the work increases in other sections. In addition, the volume of this work is increasing because of the vigorous and persistent effort of taxpayers and their attorneys to resist as long as possible the day of reckoning. The staff of the Tax Division prepares more briefs and orally argues more cases than all of the other legal divisions combined.

(*f*) Review Section: Approximately 1,700 offers in compromise were processed by this section in 1963, an increase of 15 percent over the previous year. The Division has extended its settlement option procedure with IRS and has intensified its informal review procedure which will make it possible to determine quickly which cases should be tried and which should be settled. If these expanded programs are to succeed, and if the work on the enlarged number of new cases is to proceed expeditiously, the staff of the Review Section must be maintained.

(2) *Other expenses.*—While costs of operation other than personal services amount to only 20 percent of the allotment, such expenses are on the rise for a number of reasons.[15]

The Division exercises tight control over operating expenses. Travel is coordinated between sections, trips are consolidated, the use of coach and tourist accommodations is insisted upon, the use of private automobile is limited (thus saving time and per diem),[16] and U.S. attorneys are urged to take a more active part in processing appropriate types of tax cases. Telephone calls are carefully supervised and the less expensive GSA facilities for long-distance calls are used whenever possible. Used or refinished equipment when available is acquired in place of new. (Refinished desks will be obtained for new attorneys authorized in 1964.) And, in other areas (e.g., purchase and use of supplies, duplicating services, etc.) close control is exercised to assure maximum economy of operation.

There were 610 more pretrials and almost 100 more trials and arguments in 1963 and court activity will increase in the next 2 years. Over 1,400 depositions were taken in civil cases last year and further aggressive action of this type will be undertaken in the current and budget years. If the Division is to carry on the programs of greater discovery and other aggressive actions, and meet all court deadlines, an increase of at least 10 percent in travel is a necessity.

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[15] On top of the statutory and price increases (e.g., per diem rates up 33⅓ percent, airline fares up 10 percent) which have never been provided for specifically, are the costs of processing a greater number of cases.

[16] The following quote is from a memorandum recently received from the Administrative Assistant Attorney General to the head of the Tax Division: "I have been informed by the Management Office that a recent examination of the vouchers of the Tax Division for the last quarter of fiscal 1963 revealed a near perfect condition. This reflects great credit upon your personnel. I am particularly impressed with the way the tax lawyers honor the spirit as well as the letter of the travel economy program."

3. *Promotions.*—The traditional response to the uncontrollable increase in work has been to enlarge the staff. This may not always be the most economical way to meet the increased workload. The typical employment pattern in the past has been to take a young attorney recently out of law school at a grade GS–9 who would work for 2 or 3 years and leave at a GS–11 or 12. Beginning in 1961, the Tax Division has secured understandings from attorneys entering the Tax Division that they will stay 4 years.[17] Such commitments presuppose that their grade him in as a grade GS–9, promote him to a GS–11 at the end of 1 year, a GS–12 sibility. A sound promotion plan for an able young attorney would be to take him in as a grade GS–9, promote him to a GS–11 at the end of 1 year, a GS–12 at the end of 15 or 18 months and a GS–13, 18 months thereafter.[18] This makes the young attorney's salary almost commensurate with what he could be earning on the outside. At the same time his contribution in the last 2 years of his service is proportionately far greater than the salary increase provided. The difficulty is that present customs of preparing budget estimates do not permit isolation of the amount necessary to maintain a realistic promotion program. Consequently, it is necessary to either allow positions to remain unfilled in order to develop "lapse" money from which promotions are financed, or have attorneys leave us for failure to receive merited promotions. It is estimated that the Tax Division building on this nucleus of fine young attorneys gathered in 1961 and 1962 could absorb 8- or 10-percent annual increase in work over the next year if a relatively modest amount were provided for promotion. This would also permit us to operate at full authorized strength. From a careful examination of the employment rolls, it is estimated that if $100,000 were provided for promotion it would not be necessary to seek an increase in personnel authorization for the fiscal year 1965, beyond that requested for 1964. If nothing is done about promotions, the Division would have to revert to the practice of prior years and seek additional personnel at far greater cost. If 25 additional attorneys were employed to cope with the increased workload there would be added an estimated $270,300 for personnel for 1965.

D. Conclusion

Tax litigation has skyrocketed in recent years and every criteria points to greater heights in the 1964 and 1965 fiscal years. The Tax Division has no control over the volume of new cases and must receive and handle the work referred. If taxpayers are to have their day in court, if the revenue is to be collected and protected, and if the criminal provisions of the revenue laws are to be enforced; and, if these responsibilities are to be carried out expeditiously and efficiently, the staff and operating funds of the Division should be provided as requested herein.

Workload

	Actual			Estimated	
	1961	1962	1963	1964	1965
Cases or matters:					
Pending beginning of year	4,416	4,704	5,212	5,880	6,711
Received	6,885	7,881	9,811	10,887	11,427
Terminated	6,597	7,373	9,143	10,056	10,581
Pending end of year	4,704	5,212	5,880	6,711	7,557

Mr. ROONEY. The breakdown of the requested $489,800 increase appears at pages 12–4 and 12–5. It would appear from this that the sum of $167,800, out of the $489,800, is mandatory; is that right, Mr. Andretta?

Mr. ANDRETTA. Yes, sir.

Mr. ROONEY. Now, please tell us about the rest of it.

[17] The program has already begun to bear fruit. The turnover rate for attorneys dropped to 10 percent in the past year, compared with 20 percent in both 1962 and 1961, and 21 percent in 1960. This fact makes it imperative that funds be made available to cover promotions.

[18] As in the past there is nothing automatic about these promotions and an attorney who does not meet the standards for the next higher grade is not promoted. Each case is considered on its own merits.

Mr. ANDRETTA. Another $139,000, Mr. Chairman, is really mandatory, too, because that is the annualization of additional personnel which this committee allowed for the present fiscal year. That is to carry them on a full-year basis next year.

Mr. ROONEY. What about the balance of it?

Mr. OBERDORFER. Are you inquiring——

Mr. ROONEY. I am inquiring about the new policy and additional moneys for travel, communications, and everything else.

INCREASED TRAVEL

Mr. OBERDORFER. With respect to the overhead costs, Mr. Chairman, I would invite your attention first to page 39 of the green sheets, referring to travel. Our travel actually incurred for the year 1963, which was before the staff increases that have been authorized, shows an expenditure of $299,000. Our 1964 estimates did not provide for any more money than was spent in 1963 with the personnel we had there. So, our travel increase is just our judgment about what it will cost us, busy as we are and moving as rapidly as we move, to meet our responsibilities.

If I could call the chairman's attention to one other figure which bears on this quite directly, we feel, in the period we have been here, we have increased our use of pretrial——

Mr. ROONEY. I hate to interrupt you, Mr. Oberdorfer, but let us get one thing straight right now. I understood you to say when you referred to page 12–39 of the justifications, that the increase from $299,453 in 1963 to $336,000 for travel in the coming fiscal year was by reason of the fact that you have an increased staff. Did I understand you correctly?

Mr. OBERDORFER. Yes, sir.

Mr. ROONEY. At page 12–5, do you not have $8,000 for travel for the new staff, as shown at that page?

Mr. OBERDORFER. That is correct, Mr. Chairman, for part of that.

Mr. ROONEY. Is it or isn't it?

Mr. OBERDORFER. It is for half a year, yes, sir.

Mr. ROONEY. How much were you allowed for travel as a result of the conference, according to your allocation?

Mr. OBERDORFER. According to page 12–5, it says $8,000. For this staff authorized by conference action, travel, $8,000.

Mr. ROONEY. How do you explain this, Mr. Andretta?

Mr. ANDRETTA. Mr. Chairman, in fact their travel has been running much heavier than their travel allotment. The demands on the office and the need to get out in the field indicate that they are going to need all this and then some, for next year.

This is running true of all the legal operations. Our travel costs have gone sky high because there is a new procedure the courts have set up by which we have to go out and interview witnesses before pretrial hearings, we have to go out on pretrial hearings, and then we have to go out to the trial itself.

There are more more depositions that we have to go out and take. We are faced with the requirements of some of these traveling courts, commissioners, and what not, that go all over the country holding hearings, and our people are required to be there.

We are doing everything to control the travel. We insist on economy class, and we insist that every request for somebody to go out and travel is carefully scrutinized to see if it can be handled in the U.S. attorney's office rather sending somebody out from here. This is our best estimate of what they will need.

FIRST-CLASS VERSUS COACH TRAVEL

Mr. ROONEY. I am reminded that I met a GS–13 with the Government in the diner on the Congressional coming down on Sunday afternoon, and when we finished he went into the pullman and I went back to the coaches.

What is the policy with regard to that sort of travel between New York and Washington?

Mr. ANDRETTA. Anything over a 2-hour trip——

Mr. TADLOCK. No. Anything less than 250 miles must be coach. No one violates this.

Mr. ANDRETTA. They can go to New York first class, and actually that is a whole lot more than airline shuttle costs. We are encouraging people to go in the shuttle. I hope it was not one of our people.

Mr. ROONEY. Well, I did not tell you that as yet. They may go to New York in pullman class, is that right?

Mr. TADLOCK. 250 miles, Mr. Chairman. This includes New York. It covers New York. All trips to New York are coach. There are no violations of this. If they do, they are paying the difference themselves, because it is disallowed on the vouchers.

Mr. OBERDORFER. Mr. Chairman, if I could invite your attention to a footnote——

Mr. ROONEY. Would it be possible for you to give us a figure on how much of the travel money in the Department, insofar as the law offices are concerned, this particular item, was spent last year on first-class travel and how much on economy or coach fares?

Mr. ANDRETTA. Yes, Mr. Chairman.

(The information follows:)

Analysis of travel costs, fiscal year 1963

Appropriation	First class	Economy	Total, common carrier	Other travel per diem, mileage, etc.	Total
Salaries and expenses, general legal activities:					
Office of Solicitor General	$573	----------	$573	$631	$1,204
Tax Division	61,098	$74,035	135,133	164,320	299,453
Criminal Division	46,632	41,354	87,986	168,726	256,712
Civil Division	16,159	39,158	55,317	70,394	125,711
Lands Division	10,884	21,061	31,945	46,659	78,604
Office of Legal Counsel	850	979	1,829	1,560	3,389
Internal Security Division	3,270	6,605	9,875	13,362	23,237
Civil Rights Division	29,075	9,395	38,470	70,184	108,654
Total	168,541	192,587	361,128	535,836	896,964
Salaries and expenses, Antitrust Division	39,500	78,379	117,879	168,957	286,836
Salaries and expenses, U.S. marshals and attorneys:					
U.S. attorneys	31,208	39,081	70,289	386,951	457,240
U.S. marshals	129,600	145,560	[1] 275,160	2,196,188	2,471,348
Total	160,808	184,641	345,449	2,583,139	2,928,588
Grand total	[2] 368,849	455,607	824,456	3,287,932	4,112,388

[1] Mostly for transporting prisoners.
[2] Includes many trips where economy class not available.

Mr. ANDRETTA. There are a lot of places our men go to where no other service is available except first-class air travel. In that situation, you do not have any choice.

Here is my little billet-doux on travel that I got up, on using economy class and coach.

Mr. ROONEY. According to your little billet-doux, the General Accounting Office found out, after analyzing more than 80,000 travel vouchers, first-class travel was used in two-thirds of the cases.

Mr. ANDRETTA. Not in the Department of Justice.

Mr. BROWN. That was general throughout the Government.

Mr. ROONEY. That is correct. I thought I had you there.

Why can you not get along with the amount of travel you now have, Mr. Oberdorfer, in view of this?

Let us insert this little billet-doux in the record at this point.

(The letter follows:)

DEPARTMENT OF JUSTICE,
Washington, D.C., October 24, 1962.

To: Heads of Bureaus, Divisions, Boards, and Offices.
Subject: Reduction of travel and communication expenses.

Supplementing my memorandum of April 19, 1962, concerning economical practices in the use of travel and communications facilities, I want again to emphasize the importance of avoiding the use of first-class air accommodations for official travel.

In this connection there are quoted below pertinent excerpts from a recent Bureau of the Budget bulletin to the executive agency heads establishing guidelines on this subject:

"* * * the General Accounting Office has made an analysis of more than 80,000 travel vouchers * * * first-class accommodations were used on two-thirds of these * * *. While improvement has been made during the past year in agency practices the overall results are not yet satisfactory.

* * * * * * *

"The head of each department and agency is requested to issue new and clear instructions placing strong emphasis on the responsibility of officials and employees to avoid the use of first-class air accommodations when more economical transportation will serve the Government's needs adequately. Procedures should be adopted to see that these objectives are carried out in all organizational units.

* * * * * * *

"There is plainly no reason why any department or agency cannot use other than first-class air accommodations for more than 50 percent of its authorized travel, and most departments and agencies should be able to achieve a far higher figure."

I urge each of you to review your present practices in the light of the foregoing and take whatever steps are necessary to insure more effective compliance with my memorandum of April 19, 1962, and the Bureau of the Budget guidelines set out above.

S. A. ANDRETTA,
Administrative Assistant Attorney General.

INCREASED TRAVEL FOR PRETRIAL DEPOSITIONS AND CONFERENCES

Mr. ROONEY. Why do we not defer to Mr. Andretta and just take this out of this budget. You have $30,000 at page 12–5. You have what will be $16,000 on the same page, which is twice the $8,000. This is quite an increase in travel.

Mr. OBERDORFER. Mr. Chairman, I want to invite your attention to a fact from our recent experience which bears on this subject. It may not be a complete answer to your question, but it is very significant.

We have kept a record of the number of pretrial conferences, as distinguished from trials, and the number of pretrial depositions that our lawyers have taken in litigated cases. For the year 1963, we took 1,400 pretrial depositions, and our lawyers conducted 1,389 pretrial conferences. This was double the number of depositions the year before and double the number of pretrial conferences the year before.

To do these things requires our lawyers to go to the city where the witnesses are or where the judge is for the pretrial.

As we pointed out to you, we have tried to organize this in the most businesslike way we can. The courts, now 20-some-odd of them, have these tax dockets. This has been at our suggestion. They put down all the tax cases for a particular period of time and our lawyers, instead of shuttling back and forth, go to Philadelphia, or go to Charleston, W. Va., or go to Chicago, and they stay there while this docket is going on. Although this use of depositions and pretrials may increase the travel, we think it more than justifies itself in the increase of service that we have given the courts, and we hope to see the results of it, not only in the attitude of the courts toward the Tax Division, but in our ability better generally to do our job.

I have some letters here from judges which, if the chairman wishes, I can offer for the record later on, indicating their feeling that by being active, by moving around, by going out and taking depositions and conducting pretrials, we are doing a better job for the Government.

We think this travel increase is our idea of what is necessary to continue to do that job.

Mr. ROONEY. You mentioned salaries?

Mr. OBERDORFER. That was a slip of the tongue.

Mr. ROONEY. But that is very pertinent here, because you have $107,200 here for a new promotional policy.

Mr. OBERDORFER. If the chairman will permit——

Mr. ROONEY. You will have all the opportunity you want to explain this one.

Mr. OBERDORFER. All right.

Mr. ROONEY. When you are explaining it, please tell us whether this will set a precedent for every single division in the Attorney General's Office. Why yours and not the others?

Mr. OBERDORFER. Could I say one thing before I turn to that, Mr. Chairman, with respect to economy travel?

We do not get many pats on the back. Certainly we never get one we do not deserve from Mr. Andretta. On page 33 of the justifications I have quoted a paragraph from a memorandum that we received from him:

> I have been informed by the Management Office that a recent examination of the vouchers of the Tax Division for the last quarter of fiscal 1963 revealed a near perfect condition.

Mr. ROONEY. We read that. That is already in the record.

Mr. OBERDORFER (reading):

> I am particularly impressed with the way the tax lawyers honor the spirit as well as the letter of the travel economy program.

Mr. ANDRETTA. This is a unique division, along with Civil Rights, in that almost all of their litigation is handled out of Washington by

these divisions rather than the U.S. attorneys' offices. There are only a handful of U.S. attorneys' offices that handle any tax or civil rights matters of any importance at all.

That requires a great deal more travel by the attorneys in these divisions than on the part of those in the other divisions.

REQUESTED INCREASES TO IMPLEMENT NEW PROMOTIONAL POLICY

PROBLEM OF TURNOVER OF LAWYERS

Mr. OBERDORFER. Mr. Chairman, I shall turn to the other item, which we think is unique in that it reflects our thinking about a problem we have and a solution we think we have developed for that problem.

One of the nationwide criticisms that I used to hear, of the Tax Division, was that we would send into the district courts inexperienced, untutored lawyers who had just picked up the file the night before and were rushed into the district to try the case.

It became apparent to me and to the rest of us when we came to the Department, that one reason for this was the rapid turnover of lawyers in the Tax Division. The average tenure of a lawyer was 2 years.

We were able and our predecessors were able to employ the most talented youngsters you could find, but they quickly got tax experience and trial experience, and they were marketable. They were at a premium in law firms, and they were hired away from us.

Mr. ROONEY. There is nothing new about this. It has been going on, to my knowledge, for at least 20 years.

FOUR-YEAR COMMITMENT BY LAWYERS

Mr. OBERDORFER. But we have changed it. We have asked each of these lawyers, sir, to give us a moral commitment that he will stay with the Tax Division for 4 years.

Mr. ROONEY. That has been in effect for many years, too.

Mr. OBERDORFER. It has been in effect only since 1962, Mr. Chairman, in the Tax Division.

Mr. ROONEY. Does it not go back further than that, Mr. Andretta? Does not this business of having them agree to stay so many years go back further than that?

Mr. ANDRETTA. No. It started with this group in the Tax Division. We tried to get commitments from the others to stay longer, but we never got anywhere. They would not commit themselves.

Mr. OBERDORFER. The Internal Revenue Service has done this for many years, Mr. Chairman, and that may be what you have in mind.

We talked to the bar. We told them we were keeping these lawyers for 4 years, and please not to make overtures to them until the end of 4 years.

The consequences of this in terms of improved work and improved production are very significant. At the end of 2 years when a lawyer probably has reached some level of general competence, he would have 40 cases assigned to him or 35 cases assigned to him, and then one bright day he was gone and the section chief had to reassign all those cases. We calculated or our section chiefs just

guesstimated that on the average there was a loss of 3 days' working time per lawyer to pick up a file from a departing lawyer and learn it.

By reducing the turnover so a lawyer stayed 4 years instead of 2, we have reduced that cost in time by a very substantial amount. To estimate it in dollars and cents, of course, would be difficult, but we guess 50 percent.

The effect of the 4-year commitment is shown in our record of terminations. The terminations in 1962 were 20 percent of the legal staff. In 1963, they were 10 percent of the legal staff. This means that the men who were 9's when we hired them and are 11's now, or are 9's now and will be 11's, if they stay with us for the 4 years, as we expect them to, instead of leaving us, will stay on and will be worth more and are entitled to greater compensation.

We have taken our personnel man by man and calculated what we should be paying them if we are fair with them, for their service in the third year and the fourth year. Our calculation of that is the basis for our request.

The principle is our concern here, Mr. Chairman. We bring it to your attention. We think this is, as our superiors have seemed to agree, a fact of our life which ought to be reflected in our budget. Whether our calculations are correct or not, we certainly would be prepared to go into them in such detail as the committee or the staff wish at another moment.

We raise it now as an idea, as a principle of personnel accounting and management, that we advocate for our particular problem, which is the 4-year commitment and a device to reduce turnover and increase the efficiency and caliber and experience level in the Tax Division.

Mr. ROONEY. Is there any other division where you have the 4-year obligation?

Mr. OBERDORFER. I think some of the other divisions may have a 4-year obligation, Mr. Chairman, but I do not think any of the other divisions have the demand for their personnel that we have. I do not think the turnover was as chronic a problem for the other divisions as it has been for our division.

Of course, I do not have all the statistics on that, but that has been my impression.

COMMENTS BY JUDGES

Mr. Chairman, if I may offer this at least as support of the value of the 4-year commitment program, I would like to quote to the committee the statement by the Honorable Emett C. Choate on the record in the case of *Levin* v. *Tomlinson* on December 17, 1963.

Mr. ROONEY. Does he criticize you?

Mr. OBERDORFER. He does not. He says:

> I want to say this, that the people who handle tax matters in this court on the part of the Government are wholly acceptable in the eyes of the court, and that wasn't true some years ago. It seems to me that there has been a vast change for the better, let us say * * *. Now some years ago we know what the reason was, they were very undermanned and underpaid and everything else, and furthermore, they had some unfortunate experiences and they were all upset and cooperation was difficult, if not impossible, to assist the court in getting anywhere.

Mr. ROONEY. Why do you not have one of those from every court in the United States?

Mr. OBERDORFER. We have quite a number.

Mr. ROONEY. How many do you have there? Three?

Mr. OBERDORFER. Three. This is from Judge Campbell in Chicago, talking about the initiation of the——

Mr. ROONEY. Judge Campbell is a very nice gentleman.

Mr. OBERDORFER. He is a wonderful man. He has been very pleased with the tax docket that we have set up in the northern district of Illinois. He says——

Mr. ROONEY. He is not against this, is he?

Mr. OBERDORFER. Against the tax docket?

Mr. ROONEY. Yes.

Mr. OBERDORFER. I have not consulted him.

Mr. ROONEY. Against this promotional plan.

Mr. OBERDORFER. No, sir.

Mr. ROONEY. He has a promotional plan of his own that costs the taxpayer a lot of money, is that right?

Mr. OBERDORFER. He has had a lot of experience with personnel problems, as I understand, Mr. Chairman.

I have another letter from Judge Levin in the eastern district of Michigan. He says, talking about our tax docket, that—

> I can only add in my experience of 43 years at the bar and on the bench, I have not known a Tax Division of the Department of Justice as efficient as the one under your administration.

Mr. ROONEY. You have not yet gotten to the part of my question which concerns whether or not this is to start a precedent and give us a promotion system on top of a promotion system. Do you have an incentive award program? Would this set a precedent as far as other divisions are concerned?

Mr. OBERDORFER. I can only say, Mr. Chairman, we have done some other experimenting and innovating in the Tax Division. We adopted a system of mechanical dictation which has improved the efficiency and, I think, reduced the cost of rendering secretarial services in the Division. I do not know whether other divisions have done this or not. Maybe it was not feasible for them.

We have looked at our particular problem, which is unique only in the sense that our lawyers will leave if we cannot get a 4-year commitment from them, and we think our needs in this respect are unique within the Department. Whether the other divisions have need for this, I am not prepared to say. We think as far as our division is concerned, it is justified.

Mr. ROONEY. What have you to say about this, Mr. Andretta?

Mr. ANDRETTA. I must say, to be perfectly frank, this is a trial balloon. We think we can do better in the Department by retaining experienced people, cutting down on the turnover; that the investment of the Government in these people will far offset trying to put on additional bodies to handle increasing work, people that you have to train, who have to become familiar with the work.

There is a lot of lost motion. I do not think a lawyer coming in the Department is worth much to us for 2 years. We think if this trial balloon is successful we can cut down turnover and more than save the $100,000 in efficiency——

Mr. ROONEY. Do you think you might be able to hold on to that balloon until next year?

Mr. ANDRETTA. We can try. Although when you have an election year coming up, you know there are any number of temptations put before these attorneys to try to get them out of the Department. They are being subjected to blandishments all the time, particularly in the Tax Division.

There is a great demand outside. If you get a new tax bill through, they will go out even faster.

Mr. ROONEY. Would you not like to help the President, Mr. Oberdorfer?

Mr. OBERDORFER. That is my full-time job, Mr. Chairman.

Mr. BOW. How about the taxpayers? They are pretty important.

Mr. OBERDORFER. They are important, sir. We, of course, feel that the taxpayers and the administration of justice are helped when we can do a thorough job with experienced people in the litigation of our cases. That is what we are trying to do.

Mr. ANDRETTA. Point out the revenues you bring in for the benefit of the taxpayers—millions and millions of dollars.

Mr. CEDERBERG. You are getting 4-year commitments without this policy, are you not?

Mr. OBERDORFER. The implication in our 4-year commitment, although we have not made it explicit, is that we will be able to advance these men in grade as they establish themselves with experience and ability.

Mr. ROONEY. But that is not enough. You want $100,000 on top of that.

Mr. OBERDORFER. This is to anticipate the difference between having people who leave us after 2 years, and people who do not leave us until after 4.

INCENTIVE AWARDS

Mr. ROONEY. Then you have an incentive award program, have you not?

Mr. OBERDORFER. That is for extraordinary work in a particular case. Almost all of the people we have, by the time they have been with us 3 years, are worth more than they would have been if they had left at the end of 2. The incentive awards does not go to just everybody. It goes for people who have done a particularly outstanding job on a particular case or a particular series of cases. The promotion suggestion is a personnel management plan.

Mr. ROONEY. Does this entail winning the case?

Mr. OBERDORFER. No, sir; it does not. We have given these to people who have gone down in glory. It very definitely is not limited to winning cases. The incentive award has gone to people who have negotiated very statesmanlike compromises of difficult cases.

Mr. CEDERBERG. That is the only kind you negotiate, anyway.

Mr. OBERDORFER. There are some that are more outstanding and difficult than others. We have one which has just been closed—a very large case which was in the Court of Claims and which a Commissioner of the Court of Claims had decided against us. After we had written our briefs to the Court of Claims itself, we had a settlement

which we improved by negotiation 100 percent, and it was finally accepted. It was a large amount of money.

We think this was a real tribute to the guy who worked as hard as he did. Even though he lost the case before the Commissioner, he negotiated this settlement.

SALARIES AND PROMOTION OF ATTORNEYS

Mr. ROONEY. This $7,200 at page 12–4 would be contingent upon the allowance of the $100,000 promotional policy item, would it?

Mr. TADLOCK. Yes, sir.

Mr. ROONEY. So, if the committee were to feel this might be something that should be deferred for a year, the proper amount to be extracted from this budget would be $107,200.

Mr. OBERDORFER. That is correct, Mr. Chairman.

Mr. ROONEY. How much for travel?

Mr. OBERDORFER. We would hope there is no relationship between those two.

Mr. ROONEY. In other words, you are not volunteering any reduction on travel at this point?

Mr. OBERDORFER. Neither one, Mr. Chairman.

Mr. ROONEY. Mr. Bow?

Mr. BOW. I was interested to know what the figures would be for these lawyers in the first, second, third, and fourth years, in dollars, not in grades.

Mr. TADLOCK. That is on page 34. You can convert that to dollars.

Mr. BOW. Will you do that?

Mr. TADLOCK. Of course, it depends on the salary the attorney gets when he enters on duty.

Mr. BOW. Take the average.

Mr. TADLOCK. A grade 11 would go from——

Mr. BOW. They come in at grade 9, do they not?

Mr. TADLOCK. They come in at grade 9, $7,030. In 15 months they would go to $8,410.

Mr. BOW. That is GS–11?

Mr. TADLOCK. Yes, sir. If they are good. This is not automatic. If they are recommended.

Mr. BOW. What is that? GS–11?

Mr. TADLOCK. GS–11, yes, sir.

Mr. BOW. How much?

Mr. TADLOCK. $8,410.

Then in 15 months they would go to grade 12, which is $9,980. Then in another 18 months they would go to grade 13, which is $11,725. So, in about 3¾ years a man would go to $12,000, roughly.

Mr. BOW. He would go from $7,000——

Mr. TADLOCK (continuing). To $12,000.

We have checked with several law firms, and this is about what he would do with the average law firm. The question is, should we keep him in the Tax Division at $7,000 during all that time, something it would be almost impossible to do. He would have to move up within a reasonable time.

Mr. Bow. You bring him in at GS–9, you said. That was the figure you gave me.

Mr. Tadlock. Yes. Also, we could bring him in at GS–11, in 15 months we would move him from $8,410 to $9,980. But with the reduction in the turnover of 50 percent, we will not be in a position to give very many promotions next year. We do not have the lapse money to do it as we had in the past. We are boxed in with the 4-year commitment, which cuts down the turnover rate, and will not be able to promote a good portion of these people. There just will not be any way to do it.

Mr. Rooney. Mr. Tadlock, how do you jibe that statement with page 12–38 of the justifications where it would appear that you are asking for less lapse money in 1965 when compared with the present year?

Mr. Tadlock. That big change from $324,000 in 1963 to $197,000 in 1964 is due to the fact that the money was given to us for half the year for 1964 for 28 positions and figured for the full year for 1965.

Mr. Rooney. Then compare the 21.5 in the coming year with the 31.5 last year.

Mr. Tadlock. I am not sure I understand the question.

Mr. Brown. That is a result of the fact that people are going to stay on and you will not have the turnover in the coming year that you had last year.

Mr. Rooney. If your turnover is going to be less, Mr. Brown, would that not be an indication you do not need any part of this $100,000?

Mr. Brown. Is that the promotional plan, Mr. Chairman?

Mr. Rooney. Yes.

PROMOTIONS IN LIEU OF PERSONNEL INCREASE

Mr. Brown. I think something which has been missed here all the way through is that this is a plan that is in lieu of asking for additional help. They are contemplating handling a much larger caseload next year with the same amount of help, in the expectation that under the proposed promotional plan they will be able to retain their experienced attorneys longer.

Mr. Rooney. Maybe we would be better off to give you some more help.

Mr. Brown. I think, Mr.Chairman, that would be more costly.

Mr. Tadlock. We made an estimate, which is also in the justification, that it would require $270,000 for new attorneys if we should do as we have in the past and ask for a 10-percent increase due to a 10-percent increase in workload. We think with the increased experience of these people we can absorb this work.

BACKGROUND OF PROMOTION SUGGESTION

Mr. Rooney. When this budget was originally set up, I believe in July, Mr. Andretta, and before the go-round with the President, did you have any requested additional employees in this Division?

Mr. Andretta. Yes.

Mr. Rooney. How many?

Mr. Brown. We had requested 30 additional employees in the preliminary estimates last spring.

Mr. OBERDORFER. In this Division?

Mr. BROWN. Yes.

Mr. OBERDORFER. No.

Mr. BROWN. In the preliminary estimates, 30 additional employees.

Mr. ANDRETTA. That is when we changed the thing over when we got to the budget. We eliminated additional jobs.

Mr. ROONEY. I am talking about the 1965 budget.

Mr. BROWN. That is correct.

Mr. CEDERBERG. Were they all attorneys?

Mr. BROWN. No.

Mr. ANDRETTA. No; attorneys and clerks.

Mr. ROONEY. To whom should we give credit for this gimmick?

Mr. OBERDORFER. If you will change the name——

Mr. ROONEY. Would you take credit?

Mr. OBERDORFER. Don't call it a gimmick, Mr. Chairman. This is the product of some conscientious soul searching about how we can meet our responsibilities without taking on more and more people.

Mr. ROONEY. Mr. Cederberg?

Mr. CEDERBERG. Did you anticipate the new people who were to come on board before you devised this method would give you a 4-year commitment?

Mr. OBERDORFER. The 4-year commitment idea preceded by several months or a year this plan that we now have. We started the 4-year commitment and, having started it, realized that it needed a corollary——

Mr. CEDERBERG. You are getting a 4-year commitment from your people now.

Mr. OBERDORFER. That is correct. The question is whether we can hold them to that if we have to freeze them in grade.

Mr. CEDERBERG. Does the commitment imply you are going to increase them?

Mr. OBERDORFER. It certainly is not explicit. We do not make any promises. We think it is implicit that they should be compensated in their third and fourth year more than the people they replaced were compensated in their first and second.

I am frank to say we had not thought that through at the time we began asking for the 4-year commitment.

Mr. CEDERBERG. Is it fair to say if you had not had the second go-round on this budget, you would be in here for 30 new people?

Mr. ANDRETTA. No. The 30 in the preliminary estimate were knocked out before we submitted our formal request in September.

Mr. CEDERBERG. The whole 30 were knocked out?

Mr. ANDRETTA. Yes. They were knocked out in our go-round with the Budget.

Mr. CEDERBERG. You knocked them out or the Budget knocked them out?

Mr. ANDRETTA. We did, in our discussion with the Budget Bureau. Subsequently they came back with a ceiling on employment.

We decided then on this program rather than push hard for the additional jobs, because we though it would be more economical to adopt the plan Mr. Oberdorfer has presented.

Mr. CEDERBERG. You did not come to that conclusion until you had the ceiling. In other words, if you did not have the ceiling, you would be in here for more bodies instead of the promotional program.

Mr. ANDRETTA. No.

Mr. CEDERBERG. Which came first?

Mr. ANDRETTA. Actually, the whole thing evolved together. When the problem of turnover and keeping trained people came up, it was considered more practical to retain the present staff with their expertise and experience and a lot more economical for the Government to let them pick up all this additional work than to bring in a lot of new people who, by the time they are valuable to the Government, resign.

Mr. CEDERBERG. I do not want to prolong this, but if I understand correctly, you originally asked for 30 new people in this division.

Mr. ANDRETTA. Yes.

Mr. CEDERBERG. This was not allowed by the Bureau of the Budget because of the ceiling, is that correct?

Mr. ANDRETTA. I would have to refresh my recollection now whether we ourselves decided to drop them or the Budget threw them out or not. I do not know.

Mr. CEDERBERG. Either way, they were eliminated.

Mr. ANDRETTA. They were eliminated.

Mr. CEDERBERG. At the same time, did you have the promotional plan along with the new people?

Mr. BROWN. No, sir.

Mr. CEDERBERG. You decided to go to the promotional plan after you found out you could not have the new people?

Mr. BROWN. No. This was in contemplation all the time. When we had the Budget hearing on the additional people, we arrived at the final determination as to the value of the promotional plan.

Mr. CEDERBERG. This leaves me a little confused because, if I understand correctly, because of this promotional plan you do not need the 30 people.

Mr. BROWN. That is correct.

Mr. CEDERBERG. But you originally asked for 30 people and you were going to have the promotional plan later, too.

Mr. BROWN. No. That was considered later.

Mr. CEDERBERG. If you had received, say, the 30 new people and then you had gotten the promotional plan later, as you suggest was in the mill, what would you have done with the 30 people you would have on the rolls?

Mr. BROWN. As I recall the development of this thing, at the hearing before the Bureau of the Budget we had the request for 30 additional people, and in the meantime the promotional plan had been under consideration. This was offered as an alternative to the 30 additional people at the hearing in the Bureau of the Budget. That is how the whole thing developed.

Mr. ANDRETTA. This all happened between the time we had the preliminary discussions in the spring and when we went to the Budget in October.

Mr. OBERDORFER. Just talking about the Tax Division now, we had been talking about this and thinking about it quite apart from the

workload of any particular year and quite apart from the personnel required to do that work in a particular year. We had been thinking about this as a fact, as a problem which we would have to be men enough to face sometime.

It came to a head, as I recall it, on the eve of the hearings. We had a little informal hearing with the Bureau of the Budget. We talked to them about it.

Mr. Bow. May I ask one further question?

Mr. ROONEY. Yes, Mr. Bow.

Mr. Bow. On page 12–3, this language appears, and I would like to have it explained to me because I do not understand it.

The additional funds will provide for the restoration of part of the new personnel disallowed by the House bill for 1964 * * *.

Are you creating some new jobs?

Mr. OBERDORFER. No.

Mr. Bow (reading):

The additional funds will provide for the restoration of part of the new personnel disallowed by the House * * *.

Mr. TADLOCK. That is the result of the conference, Mr. Congressman. You recall the House allowed money for 15 positions, but the effect of the conference report increased the authorization to 28 positions. It did not provide the money, but it allowed 13 new positions—authorized them.

Mr. Bow. The money was there. They were allowed on a 6-month basis.

Mr. TADLOCK. On a 6-month basis.

Mr. Bow. The money was there.

Mr. TADLOCK. Now this year's request is just asking for money to carry them for a full year.

Mr. Bow. The word "restoration" is the thing that disturbs me. What do you mean by a restoration?

Mr. BROWN. That is unfortunate language.

Mr. Bow. Are we restoring any jobs?

Mr. BROWN. No, sir.

Mr. OBERDORFER. No, sir.

Mr. Bow. So the word "restoration" is in error.

Mr. OBERDORFER. Yes.

Mr. Bow. That clears it up.

Mr. ROONEY. Very well.

Thank you, Mr. Oberdorfer and gentlemen.

MONDAY, JANUARY 27, 1964.

CRIMINAL DIVISION

WITNESSES

H. J. MILLER, ASSISTANT ATTORNEY GENERAL
W. E. FOLEY, FIRST ASSISTANT
JAMES MUSKETT, ADMINISTRATIVE ASSISTANT

Mr. ROONEY. The next item is for the Criminal Division. The details with regard thereto are to be found under tab 13 of the justifications book.

We shall at this point in the record insert pages 13–1 through 13–53 of the justification book.

(The pages follow:)

Criminal Division

Appropriation, 1964	$3,189,000
Less transfer to GSA for rent	3,000
Appropriation, 1964 (adjusted)	3,186,000
Estimate, 1965	3,352,100
Increase	166,100

The Assistant Attorney General in charge of the Criminal Division has general supervisory responsibility over the enforcement of Federal criminal laws with the principal exception of the antitrust and tax laws, and directs the Federal enforcement effort against organized crime in the United States. Thus the Criminal Division has general direction and supervision over the U.S. attorneys with respect to the conduct of criminal prosecutions involving violations of more than 900 Federal statutes covering approximately 2,800 sections of the United States Code.

The Criminal Division is organized into five principal sections, as follows: The Organized Crime and Racketeering Section, the Administrative Regulations Section, the Appeals and Research Section, the Fraud Section, and the General Crimes Section. In addition, there is a trial staff and the necessary executive and administrative personnel to supervise and service the Division.

AMOUNT REQUESTED

The Criminal Division estimates that it will need an appropriation of $3,352,100 to continue its operations during fiscal year 1965 on the accelerated plane of recent years. This is an increase of $166,100 as follows:

Cost of statutory provisions:	
1965 costs under 1962 Pay Act (Public Law 87–793):	
Annualization of schedule II increases effective Jan. 5, 1964	$58,200
Step increases due in 1965	48,300
Savings due to 1 less compensable day in 1965	−10,000
Personnel benefits related to above	6,800
Subtotal	103,300
Increased litigative expenses:	
Communications	12,500
Printing	7,000
Other services (mainly transcripts)	50,000
Subtotal	69,500
Nonrecurring 1964 provisions:	
Rent for new personnel authorized in 1964	6,000
Less transfer to GSA deducted above from 1964 availability	3,000
Subtotal	3,000
Equipment for new personnel authorized in 1964	3,700
Subtotal	−6,700
Total increase	166,100

ORGANIZED CRIME AND RACKETEERING SECTION

The Organized Crime and Racketeering Section is charged with the responsibility of supervising all potential criminal violations which reflect organized illegal activity of an interstate nature. In order to meet this responsibility, the Section accumulates data related to organized crime and exercises a supervisory control over the criminal violations which have been a major source of revenue for organized criminal elements, such as gambling, liquor, and nar-

cotics. Most of the lawyers in the Section are given fixed responsibility for certain criminal operations or individuals of interest to the Section. These lawyers coordinate the efforts of the more than 25 investigative agencies working in this field and conduct grand jury investigations and trials, when required, in conjunction with the U.S. attorneys. The Section also supervises and assists in the enforcement of the wagering tax laws, labor laws, the Gambling Devices Act of 1962, and the new antigambling statutes enacted by Congress in 1961. As of January 1, 1964, the Section had 63 attorneys assigned of the 65 authorized for fiscal year 1964. In the key areas of New York, Chicago, Miami, and Los Angeles, permanent units have been maintained in the U.S. attorneys' offices to lead antiracketeering efforts in those cities. The salaries and expenses of the staffs in the New York and Los Angeles offices are paid from the funds appropriated to maintain the U.S. attorneys' offices, whereas the personnel of the Chicago and Miami staffs are paid from the funds appropriated to the Criminal Division.

As indicated above, most of the attorneys in the Section are engaged in the evaluation of evidence developed by the principal Federal investigative agencies pertaining to leading racketeers. In these assignments Section attorneys analyze reports from the participating investigative agencies, suggesting further investigation where allegations indicate a possible Federal violation and conducting grand jury proceedings where appropriate. Under this program the attorneys are in the field at frequent intervals to enable them to become closely familiar with the racketeering situation under investigation and to establish and maintain close liaison with the senior officer of each Federal investigative agency working in close collaboration with the responsible U.S. attorney. During the past fiscal year attorneys assigned to these special investigations have spent 6,177 days in the field, 1,353 days before grand juries, and 1,081 days in court, an increase over the previous fiscal year of 18, 34, and 200 percent respectively. The increase in the number of days in court reflects, we believe, increasing effectiveness of the drive against organized crime. Moreover, this increase in effectiveness is also apparent from the number and scope of the indictments returned as well as convictions obtained.

Particular effort continued to be directed by the Section during the past fiscal year toward illicit gambling activities which remains the primary source of organized crime. The instant effect upon the gambling community achieved by the new antigambling laws signed by the President on September 13, 1961, continued during the second year in which they have been operative. The degree of activity being conducted pursuant to these statutes, 18 U.S.C. 1084, prohibiting the transmission of wagering information, 18 U.S.C. 1952, prohibiting interstate travel in aid of racketeering enterprises, and 18 U.S.C. 1953, prohibiting interstate transportation of wagering paraphernalia, is indicated by the fact that as of December 1963 approximately 12,500 investigations have been started by the Federal Bureau of Investigation. To date, indictments have been returned in 75 cases involving 251 defendants. Convictions have been secured in 35 cases involving 106 defendants. Seven cases have been dismissed and seven are on appeal. The Criminal Division has retained close supervision over prosecution under these statutes and has provided U.S. attorneys with detailed assistance in preparation of trial briefs, appellate briefs, indictments, and prosecutive opinions.

Convictions obtained under the new statutes during the past fiscal year included the following representative cases: Matthew Whitaker, the principal in a substantial bookmaking and layoff operation in Pennsylvania was convicted in January 22, 1963, of violating 18 U.S.C. 1084, 1952, and 1953. He was sentenced to 9 months in prison, 3 years probation and a $1,000 fine. Joseph W. Manieri and seven other defendants were convicted in the southern district of New York on February 26, 1963, on charges of violating 18 U.S.C. 1952 and 1953. The case involved a $20,000-a-day operation in numbers and was described by local police officials as one of the largest accumulations of play in one policy bank in their experience. Manieri was sentenced to serve 18 months and the other defendants received sentences varying from 6 to 9 months suspended. In Tampa, Fla., Isaac Penso and Charles Wells were convicted on June 4, 1963, on charges of conspiracy to violate 18 U.S.C. 1084 and 1952. The indictment arose from an attempt by a New York gambling club to collect for telephone bets made by a Tampa veterinarian. Penso received a year and Wells 2 years. On May 27, 1963, Eugene Smaldone and Donald Ryan, Denver, Colo., bookmakers, pleaded guilty to violation of 18 U.S.C. 1952 and 1084. Codefendant Robert

Robbins went to trial and was found guilty. Smaldone was sentenced to serve 18 months and 3 year probation, and Ryan 6 months and 2 years probation. Robbins was brutally beaten and killed prior to sentencing. Smaldone is the son of Eugene Smaldone and nephew of Clyde Smaldone who, together, reportedly dominated gambling activities in Denver prior to their Federal convictions on charges of bribery, conspiracy, and obstruction of justice for which they were sentenced to serve 12-year terms. Anthony Stratton Bass, a gambling casino operator, was convicted in the western district of Arkansas on November 6, 1962, for violation 18 U.S.C. 1952. He was sentenced to serve 3 years and fined $5,000. Among the significant cases in this fiscal year have been Felix A. Alderisio, reported to be the No. 2 man in the Chicago Cosa Nostra "family" and the logical successor to Sam Giancana, who was indicted on October 10, 1963, in Miami, Fla., on the charge of interstate travel for the purpose of extortion resulting from the attempted shakedown of a Denver, Colo., banker by means of death threats. In Philadelphia, on October 31, 1963, Angelo Bruno, head of the Philadelphia Cosa Nostra "family," and eight others, were indicted on the same charge resulting from beatings, death threats, and other efforts to enforce payments by two Philadelphia businessmen to loan sharks.

The utility of 18 U.S.C. 1952 was demonstrated in two other cases. Malcolm Britten Wooten, the principal in a large prostitution ring in the Southeast, was found guilty of interstate travel and use of an interstate facility to aid his illegal enterprise and was sentenced to 2 years. This is the first conviction obtained under section 1952 for interstate prostitution activities. On May 25, 1963, Richard T. Gorecki pleaded guilty to charges that he violated section 1952 in traveling from Milwaukee, Wis., to Chicago to sell morphine he previously had stolen in Milwaukee. He was sentenced to 18 months. This is also the first conviction for travel in aid of a narcotics enterprise.

In addition to criminal prosecution, two consent agreements with the U.S. Government were entered into by manufacturers of devices or tickets used in gambling. Paul P. Karnov, a principal of the K. C. Card Co. of Chicago, on May 1, 1963, agreed to discontinue manufacturing various devices designed for use in cheating at cards and dice. The Mamel Manufacturing Co. on April 1, 1963, agreed to discontinue the manufacture of machines and tickets designed for use in gambling.

In addition, prosecution of gamblers continued during the fiscal year under the sections of Internal Revenue Code imposing taxes on wagering and sections such as providing penalties for attempts to evade or defeat such taxes, willful failure to pay the taxes or to file returns and supply information or fraudulent and false statements in connection with such returns. Close collaboration between the Internal Revenue Service and the Organized Crime and Racketeering Section has been responsible for several important successes in this area. In the western district of Pennsylvania, 20 persons were indicted on September 26, 1962, and charged with conspiracy and violation of the wagering tax laws. On February 18, 1963, Victor Carlucci and 11 others pleaded guilty and received fines varying between $1,500 and $2,000. Defendants William Sams, Thomas Ciancutti, Frank Phillips, and Michael Giorano were convicted on March 1, 1963. One defendant was acquitted and the indictment was dismissed as to the others. Sams, Ciancutti, Phillips, and Giorano are the highest echelon of operating personnel in the Mannarino operation and were the principals in the Garibaldi Building gambling operation in New Kensington, Pa. On August 2, 1963, Sams was fined $50,000; Phillips, $30,000; Ciancutti, $25,000; and Giorano was fined $5,000. Subsequently, on May 10, 1963, also in the western district of Pennsylvania, Sam Mannarino, Gabriel "Kelly" Mannarino, and William Sams, who have been notorious racketeers in the Pittsburgh area for the past 20 years, and two other defendants were indicted and charged with conspiracy to defraud the United States in the ascertainment and collection of taxes and the filing of false and fraudulent individual income tax returns for the years 1957 and 1958. The indictment charged the Mannarino brothers and Sams of concealing the true amount of income received from the business of distributing and maintaining pinball machines in Westmoreland County, Pa., under the name of the Nu Ken Novelty Co. and the filing of false fraudulent tax returns for the years 1957 and 1958. On December 10, 1963, Sam Mannarino, Sams, and the two other defendants were convicted on the conspiracy count but have not been sentenced. Daniel E. Graham, Jr., one of the most important sports bookmakers and nationally prominent layoff man, and Neil Monroe Jackson, his principal lieutenant, indicted in the middle district of North Carolina on October

12, 1962, and charged with conspiracy to evade and defeat wagering taxes, entered pleas of nolo contendere to each of 57 counts of the indictment. On July 5, 1963, Graham was sentenced to 18 months and fined $15,000 and Jackson was sentenced to an identical prison term and fined $10,000. Clarence Williams, large scale Detroit numbers operator, was indicted May 28, 1963, as a result of raids in the Gotham Hotel in Detroit. The indictment charges that in the months of June to November 1962, Williams' operation grossed $2,245,754 and that Williams willfully evaded the payment of $194,000 in taxes. Joseph Vincent Moriarity was convicted in New Jersey on October 30, 1962, and sentenced on November 16, 1962, to serve 1 year and was fined $12,500. Moriarity was charged with failure to procure wagering tax stamp, evasion of gambling excise tax due, bribery, and assault on a Federal officer. It was in Moriarity's garage that a cash hoard of over $2 million was discovered.

During the past fiscal year other important gamblers and racketeers have been convicted and indicted for various Federal offenses. Charles Carabbia, one of the leading rackets figures in the Youngstown, Ohio, area was indicted on June 27, 1963, together with his wife, Dorothy, his brother, Orland, Joseph Alexander, another well-known rackets figure and Alexander's two brothers, Elias and Nicholas, on nine counts of tax evasion, the signing of false returns and conspiracy to defraud the Internal Revenue Service. On May 24, 1963, in the southern district of New York, Joseph Pagano, a notorious racketeer, five other persons and a wholesale meat company, were indicted for violating sections 2, 152, and 371 of 18 U.S.C., and the National Bankruptcy Act. Pagano, who has been involved in narcotic traffic, bookmaking, and shylocking and has a record of numerous arrets and convictions, allegedly defrauded creditors of more than $700,000. Louis Taglianetti was indicted in Rhode Island on February 26, 1963, for evading and defeating his income taxes for the years 1956 through 1958. Taglianetti is a long time associate and employee of Raymond Patriarca. Tax evasion in a sum in excess of a million dollars in profits from the sale of stock in six Canadian corporations formed the basis of an indictment returned in the southern district of New York in April 29, 1963, against Carmine Lombardozzi, a top racketeer, Arthur Tortorello, Stanley Younger, George H. Wagner, Louis de Filippo, and Nathan Batterman. Joseph Conforte, perhaps the biggest operator of houses of prostitution in the Reno, Nev., area, was indicted May 29, 1962, in Carson City, charged with three counts of attempting to evade or defeat taxes by understatement of income earned from prostitution during 1956, 1957, and 1958. Trial commenced January 16, 1963, but ended February 14, 1963 with jury deadlocked. At a new trial, Conforte pleaded guilty and was convicted and sentenced to 3 years to run concurrently with a State sentence which he began serving January 10, 1962. This was a 3-5 years sentence on a 1960 conviction for attempting to blackmail the district attorney of Washoe County, Nev. An indictment charging willful failure to file income tax returns for the year 1956 was filed in New York against Joseph Frank Schipani, on April 11, 1963. Schipani, reportedly a member of the Vito Genovese family, is allegedly involved in gambling activities, the New York Cartage Association, and is believed to have undisclosed interests in New York restaurants. Frank La Rocca, an older member of the criminal element in Kansas City, Mo., was convicted of perjury in the western district of Missouri, on May 17, 1963. The perjury arose out of grand jury testimony in connection with the shooting of Kenneth Sheetz, a witness in a Federal narcotics prosecution.

Intensified investigation into potential violations of the labor statutes was continued by Section attorneys during the past fiscal year. The principal statutes utilized in curbing racketeer influences in this important area are: (1) the Hobbs Act (18 U.S.C. 1951) which prohibits extortion affecting interstate commerce and is thus applicable to union leaders who use racketeering methods to extort money from employers; (2) that section of the Taft Hartley Act (29 U.S.C. 186), as amended by the Labor Management Reporting and Disclosure Act of 1959, prohibiting the payment of bribes from employers to union representatives; and (3) section 501(c) of the Labor Management Reporting and Disclosure Act directed at embezzlement of union funds. Other sections of that act have also been used, particularly section 504, which, among other things, prohibits a person from holding union office within 5 years of his conviction for certain crimes.

During the past fiscal year several important indictments and convictions were returned bearing on the racketeering influences in the relations between labor and management. James G. Cross, former president of the Bakery and

Confectionery Workers International Union, was convicted on April 10, 1963, and sentenced to 3 years' imprisonment on charges of conspiracy and embezzlement involving a sum of $35,000. Frank Mykalo, indicted with Cross on November 1, 1962, pleaded guilty to the conspiracy and was sentenced to 3 years suspended and placed on probation. Lester Crawford, former vice president of the union, pleaded guilty on April 1, and was sentenced to 3 years with direction that he serve 6 months and be placed on probation for 5 years. Frank Gardone, the fourth defendant, pleaded guilty to one count of the indictment and was sentenced on April 26, 1963, to 3 years, suspended, probation for 3 years, conditioned upon his not engaging in any union activity.

In Nashville, Tenn., on May 9, 1963, James R. Hoffa, president of the International Brotherhood of Teamsters, and 10 others, including, but in a separate indictment, Henry F. "Buster" Bell, vice president of the International Longshoremen's Association, were indicted for obstruction of justice in that they attempted to influence the jury previous to and during the trial of Hoffa and Commercial Carriers, Inc., on the charge of receiving over a million dollars in illegal payments. This case, after an 8-week trial, was declared a mistrial when the jury could not agree on a verdict. On December 6, 1963, Z. T. Osborn, Jr., Hoffa's Nashville attorney, was indicted on three counts for obstruction of justice resulting from attempts to reach jurors or prospective jurors in the jury-tampering trial against Mr. Hoffa and the *Test Fleet* case. Mr. Hoffa was also indicted along with seven others in Chicago, on June 4, 1963, and charged with mail and wire fraud in connection with the operation of the Central States, Southeast and Southwest areas Pension Fund, International Brotherhood of Teamsters. On March 15, 1963, in Los Angeles, Homer L. Woxberg, former secretary-treasurer of Teamster Local No. 224, was convicted along with three local No. 224 officials of embezzling nearly $40,000 from the local's funds. Woxberg was sentenced to 3 years' imprisonment and a $13,000 fine. The other union officials received sentences ranging up to 3 years and an $11,000 fine. In Newark, N.J., on June 11, 1963, Anthony Provenzano, president of Teamsters Local No. 560, Hoboken, as well as vice president of the International Brotherhood of Teamsters, was convicted on charges of violating the Hobbs Act and was sentenced on July 12, 1963, to 7 years' imprisonment and a $10,000 fine. Thomas H. Keegan, business representative of Teamsters Local No. 710, was convicted on February 13, 1963, of charges of accepting illegal payments from Interstate Motor Freight System, Inc., Grand Rapids, Mich. He was sentenced to 5 years' imprisonment and a fine of $5,000. On April 22, 1963, in the southern district of New York, Jack Cohen, president of Plumbers Local No. 2, and two other officials of the union and five companies were charged with a scheme to take more than $116,000 in illegal payments in a conspiracy to rig bids to the New York City Board of Education. Cohen and three members of his union were named in three indictments returned on April 24, 1963, on further charges involving a school contracts scheme.

In addition to participating actively in these diverse investigations and prosecutions, the Organized Crime and Racketeering Section maintains superivsory jurisdiction over statutory violations involving areas often related to organized criminal activity. The more significant of the statutes are the wagering tax laws, the laws relating to liquor and narcotics, the criminal provisions of the Taft-Hartley Act, the Labor-Management Reporting and Disclosure Act, the Welfare and Pension Plan Disclosure Act, the Hobbs Act, and Gambling Devices Act of 1962. The attorneys assigned to this work fulfill the U.S. Attorneys' requests for information, precedents, policy, procedure, preparation of indictments or information, and drafting of jury instructions. In this way the Organized Crime and Racketeering Section is able to insure uniform standards of procedure and prosecutive policy. An indication of the workload of the attorneys assigned to this function may be received from the fact that during the past fiscal year, 1,870 investigations of violations of the Labor-Management Relations Act and the Labor-Management Reporting and Disclosure Act were submitted for review. This number will increase in succeeding years as reports of investigation are now being received from the Bureau of Labor-Management Reports. In addition, the attorneys reviewed reports on 794 narcotic matters; 296 liquor reports; 312 wagering tax reports; 355 Hobbs Act reports; and 88 reports of Interstate Transportation of Gambling Devices. The recent amendment to the Gambling Devices Act required during the past fiscal year review of over 300 applications for registration and the supervision of periodic investigations by the Federal Bureau of Investigation regarding compliance with the recordkkeeping provision of the act.

It is of interest to note, in connection with the drive against the gambling fraternity and other organized crime, that the total amount of $367,651.79 in U.S. currency and coins, and 161 vehicles with a total value of $240,745 were seized as forfeited to the United States as a result of having been used in furtherance of operations in violations of the wagering tax laws. Other property seized as having been so used was valued at $142,769.19. In addition, 2,131 vehicles and other property, with a total value of $1,868,324, were seized as forfeited because of their use in connection with bootlegging, and 321 vehicles valued at $462,216.32 were seized because of their having been used in illegal trafficking in narcotics.

The coordination, correlation, and dissemination of data from the many investigative agencies through an intelligence unit is now being achieved on a workable and effective basis. The Section's Intelligence Unit has already proven its value to the attorneys of the Division in affording identification in significant investigations. This Intelligence Unit is the necessary basis for any planned coordinated effort against organized criminal activity. In this regard, the defection of an important and longtime member of the Cosa Nostra has provided us with a significant intelligence breakthrough which has enabled us to channel our activities more intelligently. At the present time some 25 agencies are contributing information relating to over 1,300 prominent racket figures. As of July 1963, the Federal Bureau of Investigation had or was in the processing of submitting intelligence reports on 1,355 individuals, exclusive of reports relating to specific violations by individual potential defendants, and the Internal Revenue Service was reporting on 558 special organized crime figures in addition to the normal reporting of income and wagering tax violation. The Federal Bureau of Narcotics has provided the Unit with case histories on more than 500 individuals. The Intelligence Unit as of January 1, 1964, had 14 clerical employees and a supervisor assigned.

The magnitude of the task facing the Organized Crime and Racketeering Section is reflected in the recent statements of the Attorney General pointing to the established existence of a "criminal commission," the influence of which reaches to every part of the Nation. We believe that this massive intelligence breakthrough" can be exploited by a continuation of our efforts of the past 2 years and without any increase in the present personnel staff.

Caseload: Organized Crime and Racketeering Section

	Actual			Estimated	
	1961	1962	1963	1964	1965
Cases pending beginning of year	31	41	103	189	179
Cases received during year	403	526	755	790	800
Cases terminated during year	393	464	669	800	850
Cases pending end of year	41	103	189	179	129

ADMINISTRATIVE REGULATIONS SECTION

The major work of the section is concentrated in the fields of (1) immigration and nationality laws; (2) international extradition; (3) food, drug, and cosmetic laws; and (4) forfeitures of property. Substantial additional work also arises from the enforcement of the customs laws; the White Slave Traffic Act; selective service laws; several laws administered by the Bureau of Safety and Service of the Interstate Commerce Commission such as the Safety Appliance and Hours of Service Acts; Fair Labor Standards Act; various statutes administered by the Department of Agriculture, such as the Animal Quarantine, Meat Inspection and Poultry Products Inspection Act; Connally "Hot Oil" Act; and the Federal Maritime Act. These are augmented by many other statutes falling within the Section's assignment involving results of investigations conducted by other administrative or regulatory agencies and violations of the criminal provisions of the statutes relative to these agencies. As of January 1, 1964, the Section was authorized and assigned 18 attorneys for the performance of these duties.

In the immigration field, 6,741 criminal cases were referred by the Immigration and Naturalization Service in fiscal 1963 as compared with 6,294 cases in the prior fiscal year. While these are generally referred directly to the U.S.

Attorneys, the Section exercises general supervision of these cases, reviews, and considers important cases and those presenting new or unusual legal problems before authorizing prosecution; passes on all requests for dismissals of prosecutions; and closely supervises the cases that reach the courts of appeals.

In addition, the Section exercises close supervision over, and participates in, practically all the civil litigation in the immigration and nationality field. This includes the issuance of instructions as to the handling of all petitions in courts of appeals for the review of deportation orders, suits for declaratory judgments of U.S. citizenship, and actions for declaratory and injunctive relief against administrative officers. The work also includes consideration of habeas corpus cases filed on behalf of aliens in custody. All recommendations by administrative authorities for the institution of actions by the Government for the revocation of naturalizations illegally procured or procured by fraud and for the enforcement of immigration bonds, fines, and penalties are reviewed in the Section before suit is authorized. Proposals for the revocation of naturalization, generally involving minute study of voluminous files and consideration of difficult questions of evidence and law, account for hundreds of man-hours per year. Compromise offers in immigration bond cases are required to be submitted to the Section for approval or disapproval.

In Immigration and Nationality cases before the courts, Section attorneys rendered legal services on 775 occasions in fiscal year 1963. This was a decrease from the preceding year when an unusually large number of cases had to be reconsidered and reviewed because of the enactment of Public Law 87-301. This legislation for the first time vested the courts of appeals with exclusive jurisdiction over petitions for the judicial review of orders of deportation. It necessitated the reconsideration of and the issuance of detailed instructions on hundreds of cases already pending in the courts, in addition to work on new cases filed during the year.

It is for this reason primarily that caseload figures jumped to an unusual high in 1962 and explains the drop to a more normal increase figure in 1963; the caseload for fiscal year 1963 is 144 cases above fiscal year 1961. Because it is anticipated that there may be some drop in the number of new suits filed for the review of deportation orders, a small decrease in total Section caseload figures has been projected for 1964 and 1965.

Recent legislation relating to discretionary relief from deportation undoubtedly will be a fruitful source of litigation for years to come. Deportation of Chinese, which has generated a substantial amount of litigation in past years, was largely suspended during fiscal 1963 because of the refugee problem in Hong Kong. When such deportations are resumed, there will undoubtedly be more litigation by Chinese.

Attorneys of the section work in close collaboration with the Organized Crime Section in this area. The drive on organized crime also engendered a substantial workload in the immigration field. Hundreds of hours were spent, for example, in reviewing and considering files and attempting to track down possible evidence for use in denaturalizing major racketeers. Many man-hours were spent and will continue to be spent in the deportation, exclusion, and denaturalization cases involving major figures such as Frank Costello, Carlos Marcello, Russell Bufalino, Joseph Stacher, Anthony Riela, Dominick D'Agostino, and Felice DeLucia.

The work in the extradition field, which requires a specialized knowledge of applicable judicial precedents and international treaties and conventions, has steadily increased. Almost daily the section is called by U.S. Attorneys, other litigating sections of the Department of Justice, and enforcement agencies relative to procuring the return to this country of fugitives who have fled from the United States. Where required by treaty, the Department represents and assists foreign countries requesting the extradition from this country of fugitives from their justice. Work of the section in the extradition field involves consideration of both foreign and domestic laws and precedents; the weighing of lengthly investigative and judicial reports; the preparation of extradition documents, legal briefs, and instructions to U.S. attorneys and foreign counsel; conferences with officials of foreign governments and the Department of State; and, on occasion, appearances in court. Practically the full time of one attorney and the part-time work of several attorneys were necessary to keep abreast of problems and inquiries in the extradition field during the fiscal year. Among notable successes have been the return from Italy of the notorious racketeer and narcotics trafficker, Sam Accardi, to face trial in the southern district

of New York and the successful representation of Venezuela and the Dominican Republic in their respective cases for extradition of Marcos Perez Jiminez and Clodoveo Ortiz Gonzalez, a Trujillo intelligence officer.

Increasing emphasis upon protection of the consumer will continue to affect the workload of the Section. The thalidomide controversy, the awareness of the dangers inherent in the development of new and sophisticated medicines and drugs and the apparently increasing availability and missuse of dangerous and habit-forming drugs all have been officially recognized and resulted in new legislation, new regulations, additional enforcement, and other legal work. The anticipated increase in the Food and Drug Administration for fiscal year 1964 should result in an increased workload for the Section in fiscal 1965 as funds have been requested for over 125 additional investigators. Among others, undercover programs aimed at illegal sales of amphetamines and barbiturates, dangerous drugs misused by truckdrivers, thrill seekers and addicts, are being developed. Every case developed by the Food and Drug Administration in this area is processed, directly acted upon, or reviewed by Section attorneys.

In fiscal 1963, 291 criminal cases under the food and drug laws were referred to the Department, an increase of 13 percent over the 257 cases in fiscal 1962. During the same period there was a decrease in seizure cases from 1,363 to 1,050 primarily due to fewer routine seizures because of the concentration of the investigative staff on very serious matters of national import, such as the thalidomide (and similar new drug application cases) and Krebiozen controversies. In the area of misbranded and adulterated drugs and therapeutic devices, which accounts for most of the contested litigation and legal work in seizure cases, the number of seizures significantly increased from 385 in fiscal year 1962 to 470 in fiscal year 1963 or an increase of 22 percent. The Food and Drug Administration referred 59 cases under the new Hazardous Substances Labeling Act during the past fiscal year as compared to 15 in 1962, and this program will probably continue to increase.

In other consumer protection programs, increased Federal Trade Commission activity and Department of Agriculture regulatory activities are anticipated. Under the principal regulatory statutes administered by the Department of Agriculture, 691 criminal and civil (penalties and forfeitures) cases were referred in fiscal year 1963, an increase of more than 5 percent over the prior year.

Another area of increase were cases under the statutes administered by the Bureau of Safety and Service, Interstate Commerce Commission. Four hundred seven cases were referred to the Department in fiscal year 1963 and 373 cases were handled finally during the year resulting in total fines and penalties of $248,350, as compared with 323 cases referred, 335 disposed of, and $223,500 in fines and penalties during 1962.

As a result of the "slant oil wells" disclosed in the Great East Texas Oil Field, the Department of Interior has concentrated its investigative efforts on this problem. Whereas criminal cases under the Conally "Hot Oil" Act have averaged about 10 per year in recent years, 14 were referred in 1963 and more than 300 are now under investigation. This could result in a very substantial increase in cases in the next few years.

Other time-consuming cases arose under copyright laws, customs matters and the export control laws. Civil and criminal cases from the Bureau of Customs increased over 35 percent. Forfeiture cases, discussed in the Section on Organized Crime and Racketeering, occupied the full-time services of two attorneys. Selective Service cases have increased as a result of recent Supreme Court cases. The new enforcement program of the Maritime Commission may well result in increased referrals under the Shipping Act, such as mislabeling of products to obtain lower rates, failure to procure licenses, or rebates to the shipper.

Caseload: Administrative Regulations Section

	Actual			Estimated	
	1961	1962	1963	1964	1965
Cases pending beginning of year	54	38	44	41	41
Cases received during year	1,748	2,278	1,892	1,750	1,750
Cases terminated during year	1,764	2,272	1,895	1,750	1,750
Cases pending end of year	38	44	41	41	41

APPEALS AND RESEARCH SECTION

The Appeals and Research Section is responsible for the preparation of briefs and presentation of arguments in the Supreme Court on assignment by the Solicitor General; preparation of memorandums to the Solicitor General recommending for or against appeal or certiorari; drafting of legislation and critical comment regarding legislative proposals having any impact on criminal law enforcement; the drafting and reviewing of indictments; and performing research on broad issues cutting across section lines and affecting the work of the Division as a whole. As of January 1, 1964, the Section was authorized and assigned 26 attorneys for the performance of these duties.

The appellate caseload for the fiscal year 1963 reached an alltime high. In all, 651 appellate matters were received and 683 were handled, representing increases of approximately 13 and 10 percent, respectively, over the preceding fiscal year. Cases of an appellate nature received in the 5-year period 1958–62, inclusive, averaged 581 a year. Based upon statistical records of the past, it is reasonable to anticipate an increase in such work during fiscal year 1965. Criminal Division cases in the Supreme Court constitute the major portion of the appelate work. Petitions for certiorari filed by opponents and briefs in reply thereto have shown a gradual increase over the years. Prior to fiscal year 1941, less than 100 petitions were filed each year. The yearly average from 1941 to 1950, inclusive, was approximately 131 petitions. From 1951 to 1957, inclusive, petitions average approximately 152 each year. During fiscal years 1958 through 1962 the yearly average of such petitions was 275 while the average number of reply briefs prepared was 251. In fiscal year 1963, there were 317 petitions received and 308 briefs in reply prepared. The Supreme Court granted 21 petitions requiring the preparation of briefs on the merits compared with the average of 18 over the previous 5 years. Briefs on the merits entail by far the greatest amount of work in preparation. The average number of such briefs prepared over a 20-year period has been approximately 16 each year. Petitions for certiorari and direct appeals by the Government showed an increase of seven cases. Court of Appeals and miscellaneous briefs which the Section prepared or assisted in preparing totaled 59 as against 52 last fiscal year and the average of 32 over the past 5 years. Miscellaneous motions and memorandums in the Supreme Court, 47, exceeded the 5-year average of 41. Indicative also of the trend in appellate work is the number of cases pending at the close of the fiscal year. Forty-seven cases, including 37 petitions for certiorari in which briefs in reply had not been prepared and 10 briefs on the merits, the largest number in the history of the Division, were carried over into fiscal year 1964 as compared with 32 last fiscal year and 43 in the previous peak year, fiscal 1961.

These statistics clearly indicate that the volume of work should continue to increase. The probabilities are that it will increase at an accelerated rate. Intensified law-enforcement activities under old and new legislation and the concomitant expansion of the staff of the Criminal Division over the past 2 years will correspondingly increase the volume of appellate litigation. Expansion of the scope of collateral review of convictions and the stricter requirements for hearings in such matters under recent Supreme Court decisions are likely to spawn more such litigation. These factors point to a greater than average increase in the work of the Section in the years to come.

Other areas of the Section's work have also shown an upward trend during the past and current fiscal years. For example, the 274 recommendations on legislative proposals submitted to the Division for comment in fiscal year 1963 surpassed all prior records. Research activities on questions of law which cut across section lines and affect the work of all sections are likely to increase as a result of newly enacted legislation and amendments to the Rules of Criminal Procedure. The preliminary drafts of amendments to the rules have been referred to the Department for comment and are now being studied. Some of the proposed amendments are highly controversial and, if adopted, are almost certain to be the subject of litigation in the courts. In addition to the responsibility of briefing cases of this type on appeal, the Section gives advice to U.S. attorneys with respect to interpretation of the rules. Through the medium of the Bulletin, U.S. attorneys are also kept advised of procedural developments, court interpretations of the rules, and related matters of policy.

During the past fiscal year, on February 25, 1963, Prof. Francis A. Allen submited to the Attorney General the report of the Attorney General's Committee on Poverty and the Administration of Federal Criminal Justice. This report,

which was the product of 2 years of study and discussion by the Committee, seeks to identify some of the important problems confronted by accused persons of limited means in the Federal system and to offer suggested solutions in the areas of adequate representation, bail, and appeals. As reflected in the Attorney General's letter of appreciation to Professor Allen of March 28, 1963, the Department of Justice, through the Criminal Division, is responsible for reviewing the various recommendations of the Committee and initiating appropriate action. Illustrative areas which have to be considered by Criminal Division personnel are the problems of representation in parole and probation revocation proceedings and in collateral attacks on criminal convictions. Several of the recommendations in the area of bail relating to the role of bail bondsmen, release on recognizance, use of summons in lieu of arrest, and use of nonpecuniary inducements are matters which require developing of pertinent statistics from the U.S. attorneys and further study. In addition, further effort will be required in the current fiscal year to analyze and implement the recommendations dealing with applications for leave to file in forma pauperis appeals and legislation providing trial transcripts to financially disabled defendants.

One single project which promises to require the expenditure of considerable effort by the Division during the current fiscal year is the Attorney General's National Conference on Bail and Criminal Justice, which will be cosponsored by the Department of Justice and the Vera Foundation of New York and financed largely by grants from the President's Committee on Juvenile Delinquency and Youth Crime. Tentatively scheduled to be held in Washington during May of 1964, this project is designed to (*a*) assemble all existing data and studies on bail and bring together key people and institutions involved in these studies; (*b*) focus national public attention on the bail system and the need for its reexamination; and (*c*) disseminate information to States and localities interested in reevaluating their own bail practices and attitudes. The Conference will be attended by representatives of States, localities, and organizations concerned with the administration of bail in various parts of the United States. After the Conference it is planned that regional and local conferences will be utilized to disseminate the information and ideas generated by the National Conference. It is currently projected that the preparation and results of this Conference will require full-time efforts of two Division attorneys over a period of many months.

Caseload: Appeals and research section

	Fiscal year 1961 (1960 term)	Fiscal year 1962 (1961 term)	Fiscal year 1963 (1962 term)	Estimate, fiscal year 1964	Estimate, fiscal year 1965
Cases pending beginning of year	33	43	32	47	55
New cases received [1]	595	578	651	660	670
Cases closed during fiscal year	585	589	636	652	675
Cases pending at close of year	43	32	47	55	50

[1] New cases received were as follows:

	Fiscal year 1961	Fiscal year 1962	Fiscal year 1963
Petitions for certiorari filed by opponents	307 (312 Nos.)	296 (314 Nos.)	317 (344 Nos.)
Briefs on merits in Supreme Court	17 (29 Nos.)	8 (9 Nos.)	21 (23 Nos.).
Petitions for certiorari and direct appeals filed by Government.	3 (3 Nos.)	0 (0 Nos.)	7 (7 Nos.).
Miscellaneous motions and memorandums in Supreme Court.	40 (40 Nos.)	52 (52 Nos.)	47 (47 Nos.).
Court of appeals and miscellaneous briefs prepared or assisted in preparing.	25 (25 Nos.)	46 (46 Nos.)	59 (59 Nos.).
Memorandums to Solicitor General recommending for or against appeal or certiorari.	203 (203 Nos.)	176 (176 Nos.)	200 (200 Nos.).

FRAUD SECTION

The Fraud Section supervises the prosecution by U.S. attorneys of criminal frauds arising under the mail fraud and wire fraud statutes and the securities acts as well as frauds arising from Government procurement and other programs. In addition, the Section supervises the prosecution of embezzlements, misapplications and false entries occuring in national banks, Federal Reserve

banks and institutions whose deposits are insured by the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation. The Section also supervises the enforcement of the criminal provisions of the National Bankruptcy Act. As of January 1, 1964, the Fraud Section was authorized and assigned 13 attorneys for fiscal year 1964.

The increasing awareness of the need for the protection of the consumer and investor public has stepped up the vigorous enforcement of all the Federal fraud statutes. In the past fiscal year due to the intensified efforts of this Department and the Post Office Department, prosecutions for mail fraud resulted in 581 convictions, an alltime high. This marks a 10.9-percent increase compared with the 524 convictions in fiscal year 1962, which in turn represented a 21-percent increase over the 1961 fiscal year. In fiscal year 1963, $1,995,460 was restored to victims by subjects of mail fraud cases. Over $145,000 in fines were recovered. The fraudulent schemes, as usual, affected the public in the broadest manner, involving their activities in economic, social, charitable, and spiritual affairs. The schemes involved fraudulent land subdivision sales, charity contributions, merchandising swindles, medical frauds, "advance fees" for business loans, savings and loan frauds and many others. Some of the most current and pressing problems arise in the area of fraudulent land sales where promoters offer worthless arid land for sale to the public. The broad barrage of newspaper and radio advertising designed to promote these sales is aimed at retirement-conscious servicemen, small wage earners and others having limited income and financial resources. During the fiscal year 25 promoters were indicted for mail fraud in connection with blatant misrepresentations to the public in a number of States. On March 14, 1963, a 22-count indictment was returned in Phoenix, Ariz., arising out of the promotion of Lake Mead Rancheros. On April 26, 1963, an indictment was returned in Albuquerque, N. Mex., charging Robert N. Golubin and others connected with the Great Southwestern Land Co. with mail fraud. The promoters of Sunset Valley operating as Bonded Land Developers were indicted in Denver, Colo., on May 3 in connection with a use of the so-called free lot ruse. Significant convictions include John M. Phillip, Richard D. Walker, and Jack C. Cherbo, three of the principal promoters in the Harney County Development Corp., who were convicted on December 13, 1963, in Portland, Oreg., for mail fraud resulting from the use of deceptive advertising in the sale of lots at Lake Valley, Oreg. On October 13, 1963, after conviction for mail fraud on September 26, 1963, at Boise, Idaho, Raymond E. Robertson and three other promoters of Lakeview Estates, were sentenced to prison and/or were fined. Edward H. Johnson, convicted on October 8, 1963, in San Francisco for violation of the mail fraud statute in the sale of lots in a Nevada land subdivision known as Comstock Ranch, was sentenced on December 3, 1963, to 5 years, 6 months to be served and the remainder on probation provided he make restitution, estimated to be $60,000, to all purchasers. The development and evaluation of these cases, including the preparation of indictments required the direct participation of the Section over an extended period of time. At the present time there are a large number of pending investigations being evaluated by the Section and the U.S. attorneys.

In the most important breakthrough in the suppression of charity funds, Abraham Koolish, David L. Koolish, and others were convicted of mail fraud and conspiracy on May 29, 1963, at Minneapolis, Minn., in connection with their exploitation of the Sister Elizabeth Kenney Foundation. On September 13, 1963, Abraham and David Koolish were sentenced to 10 years' imprisonment, $17,000 in fines, and $16,000 in costs; Marvin L. Kline, 10 years' imprisonment; John B. Cornell, 5 years' imprisonment; and J. George Zimmerman, 5 years' imprisonment, suspended, and 5 years' probation. Fred Fodell, who entered a plea of guilty to one count of the indictment during trial, was sentenced to 1 year and a day. The 72-day trial and extensive preparation over many months involved the close cooperation of this Section, the U.S. attorney and the postal inspectors. The Section assisted in the trial and conviction of the operators of the Buy-Rite Buyers Club, Inc., of Bennington, Vt., for mail fraud on May 13 in a large-scale merchandising swindle. One hundred thousand club members were defrauded of more than a million and a quarter dollars. The individual defendants, Isadore Press and T. C. Frey, Jr., were sentenced to 5 and 3 years, respectively. The Federal inquiry into Maryland savings and loan scandals continued and as a result 11 persons were convicted in mail fraud cases. An outstanding conviction involved Stewart Hopps whose International Guaranty & Insurance Co., a Morocco corporation, was used by the unscrupulous promoters to set up the fraudulent savings and loan associations in Maryland.

In another important field the Section attorneys work closely with the Securities and Exchange Commission. The widely publicized reports of the Securities and Exchange Commission's Special Study Group followed several years of an intensified prosecution program to ferret out frauds affecting the investor public. In the past fiscal year 118 defendants were convicted of securities violations and 49 additional cases were referred. About 141 defendants remain to be tried at the end of this fiscal year. Yet this tells only a fraction of the story of the efforts by this Section, the Securities and Exchange Commission, and the offices of the U.S. attorneys to affect this protection. The *United Dye and Chemical* case in New York (*United States* v. *Virgil Dardi et al.*) consumed almost a full year of trial ending in the conviction of the defendants and the imposition of sentences ranging from 4 to 7 years. On October 8, 1963, Gulf Coast Leaseholds, Inc., and eight other defendants were sentenced in the southern district of New York. The 160-count indictment charged conspiracy, mail fraud, and violation of the securities laws in the sale of unregistered stock and manipulation of its price. The public was defrauded of approximately $6 million. Cecil V. Hagen, former president of the corporation, and Roy B. Kelly, a Washington, D.C., attorney, were sentenced to 3 years in prison. Hagen was also fined $25,000. Milton J. Shuck, a securities dealer, received a sentence of 18 months. Jules Bean, also a securities dealer, was fined $30,000 and given a 1-year suspended sentence. A fine of $10,000 was imposed on the corporation; Irving H. Hertzberg, former president of F. W. McDonald & Co., was fined $15,000 and was placed on probation; and Martin Teller, sales manager of the Shuck firm, was given an 18-month suspended sentence and placed on probation for 5 years. John Van Allen, a stock promoter who had pleaded guilty and testified for the Government, was fined $50,000 and placed on probation for 3 years. Similarly, the trial and conviction of Gerard A. Re and Gerard F. Re, which was a major factor in the recent reform and reorganization of the American Stock Exchange, entailed long hours of preparation by this Section in cooperation with the U.S. attorney.

The Section is placing greater emphasis on the increasing incidents of National Bankruptcy Act complaints. One important case in this field during the past fiscal year resulted in the conviction on June 11, 1963, of Herbert and Nelson Wernikove for violations of the bankruptcy and conspiracy statutes. In recent years, subjects with an organized crime background have turned to "planned bankruptcy" schemes for a lucrative source of illegal gains. For example, Matthew (Mike) Rubino and two associates were indicted in Detroit on October 3, 1962, and charged with operating an extensive retail sales fraud involving nearly $100,000 of furnishings and appliances. At the end of the fiscal year, 71 persons were under indictment for violations of the criminal provisions of the National Bankruptcy Act. In addition, incidents of irregularities and fraud in Federal bankruptcy proceedings have increased in numbers as well as seriousness. The Division has initiated a number of investigations into these activities and, as a result, convictions for bankruptcy fraud have increased significantly. For example, in the first quarter of this year, 21 bankruptcy fraud convictions were secured as compared with 44 convictions obtained during the 4 quarters of the entire preceding year. Four major bankruptcy investigations have been initiated in four major cities all involving possible corruption and other irregularities of court officials. These investigations concern the activities of referees, receivers, lawyers, creditors, and petitioners in a number of cases which, in each city, appear to be related one with the other as a scheme to pervert the bankruptcy functions of these courts. Increased attention to these violations, reflected in initiation of more numerous investigations and coordination of the work of the U.S. attorneys, promises to yield a greater number of convictions and indictments in this field during the current fiscal year.

The cases involving fraud and irregularities in the Federal aid highway system require close scrutiny and guidance by the Section. The development of these cases necessitates the day-to-day coordination of the investigations by the Bureau of Public Roads and the Federal Bureau of Investigation. In January 1963 Joada Realty Corp., Reiss Associates, Inc., officers of the corporations and several State officials were found guilty in Boston, Mass., in connection with land acquisitions. Preparation is underway to try the case of *United States* v. *Glynn, et al.*, another widely known public roads case in Massachusetts. The recent report of the Blatnik Highway Subcommittee of the House Public Works Committee has highlighted the cooperative preparation for the development and trial of these cases.

Banking violations involving embezzlement, misapplication violations of the Federal Reserve Acts, and the Federal Deposit Insurance Corporation statutes, continue to present difficult and complex problems. The importance of these cases was illustrated by the indictment in January 1963 of officers and directors of the Washington Heights Savings & Loan Association and Colonial Mortgage Co. The development and presentation of the case required the exercise of care and discretion by the Section and the U.S. attorney to avoid any unfortunate deterioration of public confidence in this important banking institution in New York.

The increase in housing frauds in the many programs administered by the Housing and Home Finance Agency and its constituent agencies has alerted this Department to even greater vigilance in examining complaints. In the home improvement frauds alone, a new high in convictions, 301 persons and firms, was reached in this past fiscal year, compared with the 275 convictions attained in 1957, the peak year of widely publicized housing scandals.

The increased expenditures by the Federal Government for the procurement of goods and services in defense and domestic affairs as well as the myriad aid and assistance programs invite abuses by unscrupulous contractors, exporters, importers, and agricultural suppliers and producers. For example, in February 1963, the Olin-Mathieson Chemical Corp., Philipp Bauer Co., Inc., Kenneth B. Bauer, Herbert J. Wolf, and Far East International Corp. were indicted in the southern district of New York for making false statements in support of applications for ICA and AID financing of shipments of pharmaceuticals to Vietnam and Cambodia. In the agriculture support programs, the indictment in May 1963 in the eastern district of Michigan of Haddix & Sons, Inc., Haddix & Sons Elevators, Bud Haddix, and Jack Haddix for conversion of CCC grain, climaxed a lengthy inquiry revealing a conversion of approximately 725,000 tons of CCC grain.

The total number of new cases received in the Fraud Section during fiscal year 1963 was 713, an increase of 176 over the prior fiscal year. In addition, the Section received over 5,000 new matters of all types as well as approximately 21,000 letters, reports and memorandums. It is estimated that this high level will be maintained during fiscal year 1964 and 1965.

Caseload: Fraud section

Actual	1961	1962	1963	Estimated	
				1964	1965
Cases, beginning of year	8	3	3	7	3
Cases received during year	449	537	713	725	730
Cases terminated during year	454	537	709	729	725
Cases pending end of year	3	3	7	3	8

GENERAL CRIMES SECTION

The General Crimes Section supervises the administration and enforcement of approximately 775 Federal criminal statutes relating to 4 major areas covering integrity in Government operations, protection of the channels of interstate commerce, protection of the postal system, and the special maritime and territorial jurisdiction of the United States. Special matters in this field are often rather extensive full-time projects requiring the assignment of attorneys to assist U.S. attorneys or attorneys of the trial staff in the preparation of cases, in grand jury presentation, and at trial. A conspicuous example was the assignment of two Section attorneys who, in conjunction with two other Division attorneys, have devoted all their efforts during the past fiscal year to the analysis of investigations and the presentation to a grand jury of a matter involving the possible violations of the conflict-of-interest statutes. Similarly, two Section attorneys assisted, for a period of over 7 months, a member of the trial staff in the presentation to a grand jury of a serious food and drug case involving possible false statements and perjury which resulted in a 12-count indictment on December 20, 1963. As of January 1, 1964, the Section was assigned 22 of the 23 attorneys requested for fiscal 1964.

Integrity of Government operations

A comprehensive revision and reenactment of the conflicts of interest and bribery laws became effective on January 21, 1963. Detailed analyses and instructions to Federal agencies and U.S. attorneys have been prepared and issued. Based on the number of inquiries and requests for interpretations thus far received, these statutes can be expected to have a significant impact on the work of the Section.

In an important case in this area, former Congressmen Thomas F. Johnson and Frank W. Boykin, and coconspirators J. Kenneth Edlin, a savings and loan promoter, and William L. Robinson, an attorney, were convicted on charges of conspiracy and conflict of interest in their endeavors to obtain a delay of prosecution on a 1959 mail fraud indictment pending against Edlin which they ultimately hoped to have dismissed. One attorney of the Section was assigned full time to assist the U.S. attorney in the preparation and trial of this case for a period of more than 8 months. Similarly, the Section, in cooperation with the Committee on Rules and Administration, House of Representatives, is conducting an important investigation into the affairs of Robert G. Baker, former U.S. Senate majority secretary to ascertain the possibility of false statements, conflict of interest, bribery, fraud against the Government, and conspiracy.

In another case Jerome Byrnes, former agent of the Alcohol and Tobacco Tax Division, was convicted of six counts charging violation of the bribery statute. Charged with attempting to obtain a payoff of $10,000 from W. David Tallmadge, heir to the Schlitz beer fortune, to fix a firearms violation concerning purchase of an unserviceable gun, Byrnes was sentenced to 18 months' imprisonment. In a similar case, Harold Simon, an Internal Revenue Service agent in New York, pleaded guilty to an indictment charging conspiracy to violate the Federal bribery statute and accepting money to "corruptly examine the tax returns" of Alexander L. and Anita McGrath Guterma, Robert C. and Mary Leonhardt, and the McGrath Securities Corp. in which Guterma and Leonhardt were partners. On June 26, 1963, in Brooklyn, nine field inspectors for the Federal Housing Administration, one construction analyst for the Veterans' Administration, and one builder were indicted on bribery or perjury charges involving at least $13,000 in payoffs by Long Island builders.

An unusual case involved the illegal transfer of rice allotments in Brazoria and Motagordia Counties, Tex., and required substantial Section man-hours during the fiscal year. Rice allotments allocated to other counties, and supposedly not under cultivation, were sold to local producers without the knowledge of the supposed vendors who continued to cultivate their allotments. As a result, Victor Martin Dziewas, a Department of Agriculture farmer-fieldman, pleaded guilty to the receipt of $8,500 in bribes from David Clifton Stephens, county office manager, Brazoria County. John W. Killough, Jr., a rice farmer, pleaded guilty to receipt of $4,800 during the course of the conspiracy. Stephens, Tacitus C. Thornhill, county office manager, Waller County, and two other persons have been indicted in connection with the conspiracy and are awaiting trial.

Norman Nathan Semler, president of Semler Industries, Inc., Jack Raymond Kirves, first lieutenant, U.S. Air Force, Edsel Dekalk Howell, the ringleader of the Air Force personnel involved, and four other defendants were convicted on February 9, 1963, on charges of conspiracy and theft and receipt of stolen Government property—aircraft radio equipment valued at $269,000. Semler was sentenced to 2½ years and fined $15,000; Kirves and Howell received 18 month prison terms and the other four received sentences ranging from 6 months to 1 year.

The preservation and protection of the courts and the grand jury system against obstruction and perjury remains one of the principal concerns of law enforcement. Two section attorneys are assisting a trial staff attorney in a major perjury investigation and presentation to a grand jury arising out of an antitrust grand jury proceeding involving General Motors Corp. Other attorneys have spent many man-hours examining testimony of other corporate executives in another major antitrust action.

Protection of channels of interstate commerce

Federal statutes which protect the channels of interstate commerce include those directed against kidnaping, theft from interstate shipment, destruction of property in interstate shipment, and the interstate transportation of stolen property, forged or stolen securities, and obscene material. The variety and

volume of violations punished through utilization of statutes based on Federal authority over interstate commerce demonstrate the importance of such authority in protecting the Nation's ever-expanding commerce.

During the first year of operation under Public Law 87–221 (destruction of property moving in commerce, 15 U.S.C. 1281), the Section received reports on 245 investigations. In one of the first significant cases under the statute, Olen Ray Loyd was convicted on November 28, 1962, in the northern district of Alabama, on an indictment arising out of a labor dispute between Bowman Trucking Co. and Local 612 of the International Brotherhood of Teamsters. Also, on May 10, 1963, local 612 and nine individuals pleaded nolo contendere. Each individual received a 2-year sentence suspended and 3 years' probation. Local 612 was fined $10,000. Loyd has not yet been sentenced and Sam Webb, president of local 612, and two other individuals are awaiting trial.

In one of the first prosecutions under the Aircraft Hijacking Act (49 U.S.C. 1472J), Robert Mims was convicted in the western district of Oklahoma on April 9, 1963. Mims, while on a chartered flight, opened the door of the plane in flight and refused to close it, later seized control of the dual controls in an attempt to force continuance of the flight, and finally removed the key, shutting off the motor and forcing a nonpower landing from an altitude of 200–400 feet. Mims was sentenced to confinement for 15 years and fined $10,000. Cases arising under the Hijacking Act and the bomb hoax statutes call for guidance and supervision of the U.S. attorneys with a view to establishing a uniform enforcement policy.

In Houston, Tex., Edward Hugh Wuensche, Allen Eli Wright, Arnold A. Naidich and Willard Richardson were convicted on February 4, 1963, for their role in transporting $80,000 in stolen securities in interstate commerce. Wuensche and Wright were given 10-year sentences and Naidich and Richardson received 2 years each. This was one of a series of major stock theft cases which required section assistance. Some of the same defendants were also under indictment for stock thefts in New York and Chicago. The much-publicized theft of stock certificates valued at more than $1 million from Bache & Co. resulted in indictment of John Joseph Lombardozzi (of the racketeering family) and Milton Parness in New York. Parness, an associate of New Jersey racketeers, was also involved with stolen securities from two other robberies.

At Miami, Fla., Samuel J. Marroso and John Jo Samarin were convicted in connection with transportation in interstate commerce of 265 counterfeit bearer bonds, in $1,000 denominations, purporting to be Ohio Turnpike bonds. Marroso and Samarin were sentenced to 3 and 5 years, respectively. In cases involving transportation of Shell Union Corp. bonds, George Levine received two 5-year sentences consecutive to a 12½-year sentence for SEC violations. Orin F. Rogers, a formerly respectable Miami banker was sentenced to 10 years, and three other defendants in companion cases received sentences ranging from 18 months to 3 years. These cases were tried by Criminal Division attorneys.

Safeguarding the postal system

Statutes aimed at safeguarding the postal system include those proscribing robbery, theft from the mails, extortion, and the mailing of obscure material. The problem of obscenity in the mail continues to be of great concern to the public and to the Government. Obscenity convictions continue to increase, having more than doubled since 1960. Convictions during the past 4 years were 306, 377, 503, and 637, the latter figure being a 25-percent increase over the prior fiscal year.

One of the most significant convictions during the past year was that of Ralph Ginzburg and his three distributing corporations at Philadelphia, Pa. The 28-count indictment contained 6 counts each for mailing "The Housewife's Handbook of Selective Promiscuity," "Liaison," and "Eros," vol. 1, No. 4, and 10 counts for advertisements of these publications sent through the mail. Ginzburg, who claimed to be the world's largest distributor of magazines and publications, was convicted on June 14, 1963, on all counts and was sentenced on December 19, 1963, to 5 years' imprisonment and fined $28,000.

Special maritime and territorial jurisdiction

Offenses allegedly committed in special maritime and territorial jurisdiction present some of the more difficult and time-consuming problems of Federal

authority. The number and variety of such matters are constantly on the increase due, in large part, to the extensive involvement in land use by the Federal Government resulting from the national defense effort.

Other types of cases which the General Crimes Section handles in volume are robberies of national banks or federally insured banks, counterfeiting of U.S. currency and coins, forgery, impersonation of military officers, illegal wearing of uniforms, violations of Federal firearms laws and misuse of Federal insignia.

Caseload: General crimes section

	Actual			Estimated	
	1961	1962	1963	1964	1965
Cases pending, beginning of year	2	24	3	10	15
Cases received during year	569	608	727	800	880
Cases terminated during year	547	629	720	795	875
Cases pending, end of year	24	3	10	15	20

TRIAL STAFF

The trial staff consists of a small group of experienced trial lawyers who can be assigned to assist U.S. attorneys in cases of unusual difficulty or where special cricumstances exist, and to conduct grand jury presentation and trial of special cases handled by the Criminal Division. As of January 1, 1964, the trial staff had 12 attorneys assigned of the 13 authorized for fiscal year 1964.

It is impossible to forecast what situations will arise in the course of a year requiring the services of trial attorneys assigned to the trial staff. In view of past experience and current assignments, there is every reason to believe that the demand will continue to be heavy. The following is illustrative of the type of assignment for which attorneys of the trial staff are responsible.

Two senior attorneys have been engaged for approximately 7 months in preparing for trial the case of *United States* v. *Virgil Kanan, et al.*, where a 32-count indictment returned on May 25, 1962, against Kanan and 9 others charged a scheme to defraud the Arizona Savings & Loan Association and its depositors in connection with real estate transactions and loans. This long period of preparation was required to resolve the many complex trial problems involved. Another trial attorney recently won an important victory in *United States* v. *Frank Nick Zizzo, et al.* Zizzo, an important figure in the gambling world, and certain of his cohorts were convicted on 15 counts of traveling in interstate commerce with intent to carry on unlawful gambling activities. Zizzo was sentenced to 5 years on each count, to run concurrently, and a fine of $10,000.

The chief of the trial staff, climaxing a year of intensive ivestigation and preparation, was successful in trying *United States* v. *Billie Sol Estes.* Estes was convicted in El Paso, Tex., on March 28, 1963, on charges of mail fraud and conspiracy and on April 15, 1963, was sentenced to 15 years in prison. His three coconspirators had previously entered pleas of guilty. The chief of the trial staff and another attorney for several months worked closely with the U.S. attorney for the eastern district of Texas in readying a pilot case for trial involving "slant oil wells" in the east Texas oilfields. This case, *United States* v. *Gaumer, et al.*, was recently won.

Another trial staff attorney on December 20, 1963, completed a lengthy presentation to the grand jury in the District of Columbia of an important Food and Drug Administration case involving the making of false statements to that agency concerning the experimental effects of a particular drug known as MER 29. Two other attorneys of the trial staff are working respectively on three complicated Securities and Exchange Commission cases involving numerous defendants and an extensive perjury investigation arising out of an investigation of antitrust violations.

Other significant cases recently completed by trial staff attorneys are *United States* v. *Julius C. Harper* which resulted in conviction of Harper for bankruptcy fraud and *United States* v. *Edward T. McNamara* in which McNamara, a former Government employee, at the conclusion of a long and difficult oversea investigation pleaded guilty to charges of conspiring to defraud the Government.

Caseload: Trial staff

	Actual			Estimated	
	1961	1962	1963	1964	1965
Cases pending, beginning of year	34	34	17	27	32
Cases received during year	13	20	25	25	25
Cases terminated during year	13	37	15	20	20
Cases pending, end of year	34	17	27	32	37

Caseload statistics by sections

	Actual			Estimate	
	1961	1962	1963	1964	1965
Administrative Regulations Section:					
Cases pending beginning of year	54	38	44	41	41
Cases received during year	1,748	2,278	1,892	1,750	1,750
Cases terminated during year	1,764	2,272	1,895	1,750	1,750
Cases pending end of year	38	44	41	41	41
Average number of attorneys	17	17	17	18	18
Appeals and Research Section:					
Cases pending beginning of year	33	43	32	47	55
Cases received during year	595	578	651	660	670
Cases terminated during year	585	589	636	652	675
Cases pending end of year	43	32	47	55	50
Average number of attorneys	19	19	20	25	25
Fraud section:					
Cases pending beginning of year	8	3	3	7	3
Cases received during year	449	537	713	725	730
Cases terminated during year	454	537	709	729	725
Cases pending end of year	3	3	7	3	8
Average number of attorneys	11	10	12	13	13
General Crimes Section:					
Cases pending beginning of year	2	24	3	10	15
Cases received during year	569	608	727	800	880
Cases terminated during year	547	629	720	795	875
Cases pending end of year	24	3	10	15	20
Average number of attorneys	14	15	20	23	23
Organized Crime and Racketeering Section:					
Cases pending beginning of year	31	41	103	189	179
Cases received during year	403	526	755	790	800
Cases terminated during year	393	464	669	800	850
Cases pending end of year	41	103	189	179	129
Average number of attorneys	37	52	60	65	65
Trial Staff:					
Cases pending beginning of year	34	34	17	27	32
Cases received during year	13	20	25	25	25
Cases terminated during year	13	37	15	20	20
Cases pending end of year	34	17	27	32	37
Average number of attorneys	7	10	12	13	13

Workload

	Actual			Estimated	
	1961	1962	1963	1964	1965
Cases or matters:					
Pending beginning of year	162	183	202	321	325
Received	3,777	4,547	4,763	4,750	4,855
Terminated	3,756	4,528	4,644	4,746	4,895
Pending end of year	183	202	321	325	285
Average number of attorneys	[1] 112	[1] 137	[1] 149	160	160

[1] Includes special attorneys.

Statistical data work—July 1, 1962, through June 30, 1963

	Division total	Administrative regulations	Appeals and research	Fraud	General crimes	Organized crimes	Trial staff
Days in court	1,275	22	2	20	24	1,081	126
Days in field	8,734	86	5	254	567	6,177	1,645
Days before grand juries	1,680	3	33	16	142	1,353	133
Appellate briefs prepared	376	7	332	3	7	24	3
District court briefs prepared	259	13	44	1	16	179	6
Appellate briefs reviewed	335	84	64	4	10	169	4
District court briefs reviewed	335	155	15	2	1	160	2
Memoranda on legislation	718	84	338	19	150	126	1
Matters reviewed and referred	20,592	723	2,860	3,339	2,445	11,213	12
Matters reviewed and closed	16,022	2,014	3,534	6,401	992	3,081	0

Mr. ROONEY. These pages indicate that the request is in the amount $3,352,100, which would be an increase of $166,100 over the amount appropriated for the Criminal Division in the present fiscal year. The requested increases are set forth at pages 13–3 of the justifications.

It would appear that of the $166,100 additional requested, but $103,300 is necessary as the result of statutory provisions; is that correct?

Mr. MILLER. Yes, sir.

Mr. ROONEY. What have you to say about this, Mr. Miller?

Mr. MILLER. About the budget itself?

Mr. ROONEY. Yes.

CONTRACTUAL SERVICES

Mr. MILLER. We have attempted with the minor exception listed here, to hold the line, shall we say, to the amount expended last year. The base increase we are requesting this year is listed here on page 13–3 as "Other services." This is mainly transcripts over which, of course, we have little or no control, and also includes private hiring that we must do, primarily in Canada. We have to retain private attorneys up there is extradition matters.

The amount we spent for "Other services" last year, I believe, ran about $111,000. I think we had budgeted only about $65,000, or $45,000 less this year for transcripts, Mr. Chairman. We do try to keep the costs of transcripts at a minimum and when necessary have some Xeroxed and find it is a little cheaper than ordering a copy from the reporter.

Where you have a long trial or grand jury proceedings, where it is necessary that the transcript be made, there is really not much that we can do.

Mr. ROONEY. Is that all you have to say?

ORGANIZED CRIME

Mr. MILLER. I would just like to take 2 minutes or so to point out where we have been in the last year and where I hope we will be a year hence.

This last year, at least in the organized crime field and I think demonstrated through the disclosures of Joseph Valachi, the real issue we must face up to in this country insofar as organized crime is concerned——

Mr. ROONEY. What did he say that was not known 20 or 30 years ago?

Mr. MILLER. For the first time, Mr. Chairman, he stated under oath and testified as a former member of the Cosa Nostra—to be sure, for many years we have known who the top people were and that was no secret—we had information which would take it down through the hierarchy.

Mr. ROONEY. Did he disclose anything not already in the hands of the FBI? If so, what?

Mr. MILLER. Yes; he gave us the names of many working individuals who, while we may have suspected them to be a part of the organization, we never had anyone who could actually tell us this under oath. Of course, we had confidential informants who filled us in on some of this information, but this was the first public reported exposé.

Mr. ROONEY. Was the rest of his information as accurate as the information he gave you about Abie Reles being thrown out of a window by the police at the Half-Moon Hotel in Brooklyn, N.Y.?

Mr. MILLER. My recollection is that he stated, when he gave that information, that he had no firsthand knowledge of that.

Mr. ROONEY. Had he no better information than that?

Mr. MILLER. Yes, sir.

Mr. ROONEY. Valachi was utterly cockeyed on that and did not know what he was talking about. I happen to know something about it because I was Assistant District Attorney at the time.

Mr. MILLER. Mr. Chairman, where he professed to have personal knowledge, we checked, the FBI checked, every allegation he made and every statement he made and we found that where he had personal knowledge of the facts, the surrounding facts, bore out the accuracy of his statements he made to the Bureau of Narcotics and to the FBI.

Mr. ROONEY. How much did the Department of Justice spend on this fellow Valachi?

Mr. MILLER. How much has it spent on him?

Mr. ROONEY. Yes.

Mr. MILLER. I really do not know, sir. Of course, we have had to keep him segregated from other prisoners.

Mr. ROONEY. Sure. You have him on your hands now.

Do you think you are going to successfully prosecute anybody as a result of any one thing he said?

Mr. MILLER. Could we go off the record at this point?

Mr. ROONEY. If you think it is necessary, sure.

Mr. MILLER. I would like to.

Mr. ROONEY. Off the record.

(Discussion off the record.)

Mr. ROONEY. On the record.

Mr. MILLER. I would like to point out some statistics which——

Mr. ROONEY. Go ahead.

DIVISION STATISTICS

Mr. MILLER. I would like to point out that days in court for the Criminal Division have increased from 555 in 1961 to 1,428 in 1963 and that man-days before grand juries has increased from 1,052 in 1961 to 1,525 in 1963.

We look upon these figures, particularly man-days before grand juries, as some indication of how far we are delving into potential cases which investigative agencies have turned up.

I would also like to spread on the record the number of indictments and convictions in organized crime cases which, as far as indictments go——

Mr. ROONEY. You know that these justifications are already in the record?

Mr. MILLER. Yes, sir.

Mr. ROONEY. How many cases did the Criminal Division actually try in the past year?

Mr. MILLER. Actually try?

Mr. ROONEY. Yes.

Mr. MILLER. We will have to furnish that.

Mr. ROONEY. You do not have that with you?

Mr. MILLER. No, sir.

Mr. ROONEY. That would be the most interesting thing in connection with your work.

Mr. MILLER. Not necessarily, Mr. Chairman, because the Criminal Division has a dual function.

Mr. ROONEY. I understand that.

Mr. MILLER. My function is to supervise, which means a lot of people——

Mr. ROONEY. It means the ones tried by people in your Division.

Mr. MILLER. I would have to compile such a list. It is readily available.

Mr. ROONEY. Please insert such a list, at this point, in the record.

Mr. MILLER. Yes, sir.

(The information follows:)

Criminal Division attorneys participated in the following trials during fiscal year 1963

Name of defendant	Violation	Disposition
U.S. v. Julius C. Harper	18 U.S.C. 152 Southern District of Florida.	Jury, convicted.
U.S. v. Milton Howard Cohen, Gabriel Diaz, Ray Baker, John Fannon, Ronald V. Peccia.	18 U.S.C. 2314, 371, Southern District of Florida.	Jury, all guilty except Cohen, acquitted.
U.S. v. James R. Hoffa, Commercial Carriers, Inc.	29 U.S.C. 186 Middle District of Tennessee	Jury, mistrial.
U.S. v. George Rozburgh	29 U.S.C. 186, 18 U.S.C. 1951 Eastern District of Michigan.	Jury, pleaded at start of trial.
U.S. v. Jack I. Winshall	29 U.S.C. 7210 Eastern District of Michigan.	Jury, mistrial, after which defendant pleaded nolo contendere.
U.S. v. Leslie Atterbury	18 U.S.C. 43(a) Western District of Kentucky.	Nonjury, convicted.
U.S. v. Benjamin Dranow	18 U.S.C. 3146 Minnesota	Nonjury, convicted.
U.S. v. Floyd B. Harmon	29 U.S.C. 501(c), 439(c) Eastern District of Michigan.	Jury, convicted.
U.S. v. Norman C. Hug	18 U.S.C. 1621 Western District of Kentucky.	Jury, convicted.
U.S. v. James Jameson	29 U.S.C. 186 Northern District of Ohio	Jury, convicted.
U.S. v. Rolland McMaster, William F. Wolff, Sr.	29 U.S.C. 186, Eastern District of Michigan.	Jury, both convicted.
U.S. v. Thomas F. Johnson, Frank W. Boykin, J. Kenneth Edlin, William L. Robinson.	18 U.S.C. 371, 281, Maryland	Jury, all convicted.
U.S. v. R. H. Hinton, P. L. Myles.	18 U.S.C. 111, 1509, Northern District of Mississippi.	Jury, both acquitted.
U.S. v. Billie Sol Estes, Coleman D. McSpadden, Harold E. Orr, Ruel W. Alexander, Superior Manufacturing Co.	18 U.S.C. 1341, 2314, 371, Western District of Texas.	Jury, Estes convicted, rest pleaded.

Criminal Division attorneys participated in the following trials during fiscal year 1963—Continued

Name of defendant	Violation	Disposition
U.S. v. Anthony J. Accardo	26 U.S.C. 7206(1), Northern District of Illinois.	Jury, acquitted.
U.S. v. John J. Samarin, Samuel Marosso, Hyman Green.	18 U.S.C. 2314, 371, Southern District of Florida.	Jury, Samarin and Marosso convicted, Green acquitted.
U.S. v. Orin F. Rogers, George Levine.	18 U.S.C. 2314, 371, Southern District of Florida.	Jury, both convicted.
U.S. v. Isadore Press, T. C. Fry, Jr., Larry Press, Buy-Rite Buyers Club, Inc., Factory Supply Co., American Wholesalers Service, Standard Distributors.	18 U.S.C. 371, 18 U.S.C. 1341, Vermont	Jury, all convicted.
U.S. v. Charles F. Teemer	18 U.S.C. 1952, West Virginia	Jury, acquitted.
U.S. v. Armando Pennacchio	18 U.S.C. 401, Northern District of Illinois.	Nonjury, convicted.
U.S. v. Spiros T. Papageorge	Criminal contempt, Delaware	Nonjury, convicted.
U.S. v. Andrew Pasha, Peter Grafner, Arthur Monaco.	26 U.S.C. 7203, Northern District of Illinois.	Jury, all convicted.
U.S. v. Roy Lee Williams, Floyd Rairdon Hayes, Cecil H. Bennett, Earl D. Williams, Karl L. Rodgers Stanley B. Clevenger, Robert L. Williams.	18 U.S.C. 371; 29 U.S.C. 105(c), Western District of Missouri.	Jury, Hayes, Bennett and Clevenger convicted, Earl and Roy Williams, and Karl Rodgers, acquitted. Robert L. Williams pleaded.
U.S. v. Matthew F. Whitaker	18 U.S.C. 1084, 1302, 1952; 47 U.S.C. 501 and 203(c), Eastern District of Pennsylvania.	Jury, convicted.
U.S. v. James Bridewell	18 U.S.C. 1621, Eastern District of Kentucky.	Jury, convicted.
U.S. v. Raymond Bridewell	18 U.S.C. 1621, Eastern District of Kentucky.	Jury, plea during trial.
U.S. v. Ralph Bridewell	18 U.S.C. 1621, Eastern District of Kentucky.	Nonjury, convicted.
U.S. v. Sam Bakely	27 U.S.C. 186, Eastern District of Pennsylvania.	Jury, mistrial.
U.S. v. E. T. Donovan	29 U.S.C. 186(b), Northern District of Illinois.	Jury, convicted.
U.S. v. Richard T. Gosser, Donald J. Pinciotti, Theophilus B. Murzynski.	18 U.S.C. 371, Northern District of Ohio.	Jury, all convicted.
U.S. v. Helen James	18 U.S.C. 1001, Southern District of Ohio.	Jury, entered plea of nolo contendere.
U.S. v. Sam Jones	21 U.S.C. 174, Northern District of Illinois	Jury, acquitted.
Smith v. Kennedy	Civil action to restrain enforcement of gambling devices act of 1962, Maryland.	Nonjury, complaint dismissed.
U.S. v. Manelaus v. Labanaris	Criminal contempt, Delaware	Nonjury, convicted.
U.S. v. Stephen Zarakotas	Criminal contempt, Delaware	Nonjury, convicted.
U.S. v. Virge Bolden	18 U.S.C. 401, Northern District of Illinois.	Nonjury, convicted.
U.S. v. Joan Brown, R. Coffey, A. Delmonico, H. DeLuna, R. Saracco, G. Petraski, J. Hutcheson, J. Gaynor, R. Lopez, G. Kubitz, L. Guido A. Micele, J. T. McGarry, A. Sacko, J. C. Pelligrini.	21 U.S.C. 174, Northern District of Illinois.	Jury, all convicted.
U.S. v. James G. Cross, Milton M. Levin, James Landriscina.	18 U.S.C. 371, 1503, 22 D.C.C. 1202, 2201, District of Columbia.	Jury, Cross and Levin convicted, Landriscina plead to 1 count.
U.S. v. James G. Cross, Robert E. Hart, Frank H. Mykalo, Lester P. Crawford, Frank D. Gardone.	18 U.S.C. 371; 29 U.S.C. 501(c), 439(c), District of Columbia.	Jury, Cross convicted, Mykalo, Crawford, and Gardone, plead, Hart died before arraignment.
U.S. v. Spiros Papageorge	Criminal contempt, Delaware	Nonjury, convicted.
U.S. v. Benjamin Lassoff, Salvatore DiPiazzo, Robert Lassoff, Myron Deckelbaum, Al Mones, Alfred Reyn, Louis E. Bagneris, Anthony P. Glorioso, Eugene A. Nolan, Peter J. Marino, Harold Brophy, Charles E. Perez.	18 U.S.C. 371, 1343, Eastern District of Louisiana.	Jury, Bagneris, Brophy, and Perez plead. DiPiazzo, severed, rest acquitted.
U.S. v. Carlos Marcello, Joseph Marcello.	18 U.S.C. 371, Eastern District of Louisiana.	Jury, both acquitted.
U.S. v. Albert Silverman	18 U.S.C. 2314, Southern District of Florida.	Nonjury, convicted.
U.S. v. Domingo Del Cristo	21 U.S.C. 174; 26 U.S.C. 4705(a), Southern District of Florida.	Jury, convicted.

Criminal Division attorneys participated in the following trials during fiscal year 1963—Continued

Name of defendant	Violation	Disposition
U.S. v. *Murray D. Heron*	22 D.C.C. 1401, District of Columbis	Not guilty by reason of insanity.
U.S. v. *Calvin W. Jenkins*	22 D.C.C. 2204, District of Columbia	Jury, convicted.
U.S. v. *Lewis T. Brown, Calvin Taylor, Robert Tanzymore, William T. Bowers.*	2nd degree murder, District of Columbia	Jury, Brown and Bowers plead to manslaughter, Taylor and Tanzymore, acquitted.
U.S. v. *Henry McCann*	22 D.C.C. 502, District of Columbia	Jury, convicted.
U.S. v. *Vincent M. Wilson*	26 U.S.C. 4704, District of Columbia	Jury, convicted.
U.S. v. *James G. Oliver, George F. Williams, Robert A. Crump, Larry L. Mason.*	22 D.C.C. 2801, District of Columbia	Jury, all convicted.
U.S. v. *John H. Brook, Bobby L. Mabry.*	22 D.C.C. 502; 22 D.C.C. 2901, District of Columbia.	Jury, both acquitted.
U.S. v. *Paul W. Gatlin, Dennis A. Miller.*	22 D.C.C. 2901, District of Columb a	Jury, both convicted.
U.S. v. *Van Evans, Dennis Oliver.*	22 D.C.C. 704, District of Columbia	Jury, Oliver, convicted; Evans, acquitted.
U.S. v. *Dan M. Hilton*	22 D.C.C. 2901, District of Columbia	Jury, acquitted.
U.S. v. *Perry Holloway*	22 D.C.C. 1401, District of Columbia	Jury, convicted.
U.S. v. *Ernest P. Jefferson*	22 D.C.C. 1801, 2201, District of Columbia	Jury, convicted.
U.S. v. *Calvin W. Jenkins*	22 D.C.C. 2204, District of Columbia	Jury, convicted.
U.S. v. *John Knight*	22 D.C.C. 2801, District of Columbia	Jury, convicted.
U.S. v. *Wesley Lynn, Jr.*	22 D.C.C. 2204, District of Columbia	Jury, convicted.
U.S. v. *Roosevelt Rollerson*	22 D.C.C. 2901, District of Columbia	Jury, convicted.
U.S. v. *Sylvester, Price*	22 D.C.C. 502, District of Columbia	Jury, convicted.
U.S. v. *Percy Wilson*	26 U.S.C. 4704, 21 U.S.C. 174, District of Columbia.	Jury, convicted.
U.S. v. *Arthur Parsons*	22 D.C.C. 2201, District of Columbia	Jury, convicted.
U.S. v. *Alex Peterkin*	22 D.C.C. 2204, District of Columbia	Jury, acquitted.
U.S. v. *Arell E. Bell*	22 D.C.C. 2901, District of Columbia	Jury, convicted.
U.S. v. *Glenn Sutton*	22 D.C.C. 2901, District of Columbia	Jury, convicted.
U.S. v. *James Southerland, Charles Rose.*	22 D.C.C. 1801, 2201, District of Columbia	Jury, Southerland, convicted, Rose, acquitted.
U.S. v. *Roy A. Smith, Jr., Cornelius Anderson, Jr.*	Interstate transportation of stolen motor vehicle, District of Columbia.	Jury, both convicted.
U.S. v. *Helen Samuels, Fred Lane, Malcolm Cameron, Arthur Samuels, Alexander A. Milton.*	Assault on member Metropolitan Police Department, District of Columbia.	Jury, Helen Samuels, Lane and Cameron, convicted, Arthur Samuels and Milton, acquitted.
U.S. v. *George Dennis, Harry Betar, Edward M. Schwartz.*	26 U.S.C. 7203, Southern District of Florida.	Nonjury, Betar convicted, Dennis and Schwartz acquitted.
U.S. v. *William Delaney, Harold B. Jefferson.*	26 U.S.C. 5601(a), 5205(a)(z), 5686(a) and 7201 Southern District of Florida.	Jury, Delaney pleaded, Jefferson convicted.

PERSONNEL REQUESTED

Mr. ROONEY. Did you request any additional employees in the original budget go-around last July? If so, how many?

Mr. MILLER. We asked for 12 nonlegals in the organized crime field, I am informed. We asked for 10 or 12 last year and we were authorized 6.

Mr. ROONEY. When you got to the Bureau of the Budget, what did they tell you?

Mr. MUSKETT. They approved the 12, sir.

Mr. ANDRETTA. They went over after their hearing on the 12 additional jobs. In the second go-around with the President, we knocked them out.

Mr. MUSKETT. You are talking about this fiscal year?

Mr. ANDRETTA. Next year.

Mr. MUSKETT. We did not ask for anything next year.

Mr. ROONEY. All along I have been talking about next year, the budget we are now sitting on, which is next year.

Mr. MUSKETT. We did not ask for anything in personnel.

Mr. ROONEY. The answer, to get the record straight, is that you asked for no additional employees at any time in the budget go-around for fiscal year 1965?

Mr. MUSKETT. That is right, sir.

Mr. ROONEY. You want to help the President, do you not?

Mr. MILLER. Yes, sir.

INCREASE FOR TRANSCRIPTS

Mr. ROONEY. Why could you not just go along without all of these expansive things, with the exception of the statutory provisions which would require $103,300?

Mr. MILLER. Mr. Chairman, as I have tried to point out, each year the basic problem so far as transcript is concerned and which is a substantial part of our additional increase in the budget, the history of last year demonstrates we need it.

It is a cost of litigation and we have the choice of not litigating——

Mr. ROONEY. Or try the case without transcripts?

Mr. MILLER. Or try the case without transcript, which in some cases we can do and try to do.

Mr. ROONEY. This is daily transcript, is it?

Mr. MILLER. It depends on the type of case.

Mr. ROONEY. Most of this is daily transcript, is it?

Mr. MILLER. I would say most of it is grand jury transcript.

Mr. ANDRETTA. Before the grand jury, but not so much in a regular trial. In a few instances; yes, sir.

Mr. MILLER. In all important cases we try to have a transcript of the trial.

Mr. ROONEY. Daily transcript?

Mr. MILLER. If it is a very important case, yes.

Mr. ROONEY. If you saved that money, the lawyer trying the case would just write down the things he finds hit him right in the eye, right?

Mr. MILLER. That is correct. I am sure that we both have tried cases with both.

Mr. ROONEY. Where do we find transcripts, in two items or in one item?

Mr. MUSKETT. One item, "Other services."

Mr. ROONEY. Printing is in addition to that?

Mr. MILLER. Yes, sir.

Mr. ANDRETTA. Object No. 25.

Mr. ROONEY. In connection with object No. 25, "Other services," including the transcript, you want it moved from $65,000 in the current year to $115,000 in the coming year, right?

Mr. MILLER. That is correct.

PRINTING AND REPRODUCTION

Mr. ROONEY. In printing and reproduction you want to move from $23,000 in the current year to $30,000 in the coming year, right?

Mr. MILLER. That is correct.

Mr. ROONEY. Mr. Bow?

Mr. Bow. I was rather interested in this one item. This is in no way a criticism of the Department but in looking over these cases, I see the case of Joseph W. Manieri, M-a-n-i-e-r-i, and seven other defendants were convicted in the Southern District of New York in 1963. The case involved a $20,000 a day operation in numbers and was described by local police officials as one of the largest in one policy bank in their experience.

He was sentenced to serve 18 months.

The other defendants received sentences varying from 6 to 9 months, suspended.

That, in a situation involving $20,000 a day, one of the largest we have had and they got 18 months in the one case and the others had sentences suspended.

Mr. ROONEY. Mr. Bow, if it was some little pipsqueak on the corner taking numbers, and he were convicted the second time in the local court of New York City he would probably get an indeterminate term in the penitentiary; to wit, 3 years.

Mr. Bow. I find a number of rather startling things here.

How do you explain this to people?

Mr. MILLER. First of all, as you well know, we have no control over what sentence the judge may impose.

Mr. Bow. I prefaced my question with that.

Mr. MILLER. We have tried to bring to the attention of the various trial judges around the country, through the Judicial Conferences, the seriousness of some of these gambling offenses. Traditionally, the courts have been very loath to impose any type of substantial sentence in gambling cases.

Mr. Bow. Most of them are around 18 months.

Mr. MILLER. Fine or probation. Frankly, when we get a sentence of 18 months, we think we are doing very well.

Mr. ROONEY. How long did that trial take?

Mr. MILLER. I forgot, Mr. Chairman. I am trying to remember now, but one of them pled guilty.

I have forgotten and I will have to check the records.

Mr. ROONEY. Please insert that information at this point in the record.

Mr. MILLER. Yes, sir.

(The requested information follows):

Joseph Manieri and seven others were indicted in February 1962 for violations of 18 U.S.C. 1952, 1953, and 371. On November 16, 1962, all eight defendants entered a plea of guilty to the conspiracy count. On February 26, 1963, after a 3-day trial, Joseph Manieri and two other defendants were convicted on the substantive offense of traveling in interstate commerce to carry on a numbers operation.

Mr. ROONEY. Mr. Bow?

Mr. Bow. It disturbs me as I look through here to see a number of what I think are very substantial crimes and yet they seem to get off with a slap on the wrist.

Mr. MILLER. Congressman, I agree with you.

LANDIS CASE

Mr. Bow. I notice you have one case of failure to file income tax returns.

Did you handle the *Landis* case in New York?

Mr. MILLER. No, I did not. That is a Tax Division matter.

Mr. Bow. Did you tell me, Mr. Andretta—I neglected to go into it with them—but as I understand it, in the *Landis* case, he spent most of his sentence in the hospital?

Mr. ANDRETTA. That is my understanding.

Mr. Bow. Did the Government pay any of the expenses of that hospitalization?

Mr. ANDRETTA. I imagine we probably did under "Support of prisoners." I could check that.

Mr. Bow. Will you check that and submit for the record the amount that the Government paid during the period of time he was confined in the hospital?

Mr. ANDRETTA. Yes, sir.

(The requested information follows:)

The Government paid $175 during the period Landis was confined to the hospital.

Mr. Bow. Give us a little summary on the *Landis* case.

I believe that is all I have, Mr. Chairman. Thank you.

(The information follows:)

SUMMARY OF LANDIS CASE

On February 4, 1963, the Tax Division of the Department received a recommendation from the Revenue Service for prosecution of former Presidential adviser and onetime Harvard Law School Dean James M. Landis for willful failure to file his individual income tax returns for the years 1956 through 1960. The statute involved, 26 U.S.C. 7203, makes failure to file a misdemeanor. After review of the file, the Tax Division authorized prosecution and instructed the U.S. attorney for the southern district of New York to file the usual information. Prosecution was instituted on August 2, 1963, and, on the same day, Mr. Landis appeared in open court and entered a plea of guilty to all five counts. Sentence was imposed by Chief Judge Sylvester P. Ryan on August 30, 1963. Mr. Landis was to be imprisoned for 30 days on the first three counts. On counts 4 and 5, Judge Ryan imposed a 6-month sentence, which he suspended, and placed the defendant on probation for 1 year after the service of the prison term.

NUMBER OF CASES HANDLED BY CRIMINAL DIVISION ATTORNEYS

Mr. ROONEY. Mr. Miller, I am reminded that on page 109 of the printed hearings on the current year's budget, which hearings were held a year ago, we had the following colloquy:

Mr. ROONEY. How many cases did you actually try in fiscal year 1962?

You said:

Actually tried with attorneys from the Criminal Division?

Mr. ROONEY. Right.

Mr. MILLER. I do not believe I have that figure here, but I certainly can get it for you.

Mr. ROONEY. Do you have any idea?

Mr. FOLEY. I do not have the exact figure. We have the number of indictments and convictions for the year

Would it not be fair to assume you should have taken a hint that you were going to be asked the same question when you came here this year?

Again, we find out you cannot tell us. Is it because you are afraid to advise us of the low number of cases that were handled by the Criminal Division attorneys as was the fact when you inserted the information after you left the hearing last year?

Mr. MILLER. Not at all, Mr. Chairman.

Mr. ROONEY. We look at a budget going on to $3.5 million and see the number of cases inserted last year and we wonder.

Mr. BOW. Mr. Chairman, may I ask another question?

Mr. ROONEY. Mr. Bow.

MOBILE UNIT

Mr. BOW. In the past we have discussed somewhat the so-called Mobile Unit. I do not find anything designated as a Mobile Unit any more. Have you changed the idea of the Mobile Unit?

Mr. MILLER. No, Congressman. The mobile unit is actually individual attorneys either by themselves or two, who go out to the various U.S. attorneys' offices, spend some time there with them.

Mr. BOW. How many do you have in this so-called mobile unit?

Mr. MILLER. Actually there is no such thing as a mobile unit.

Mr. BOW. One time we set it up as a rather separate force to go out and take care of particular things. Now what do they do?

Mr. MILLER. Actually it was an increase in the number of attorneys assigned to the Organized Crime Section. As of the first of this year, 63 attorneys were in the Organized Crime Section and of those 63 attorneys I would have to go down and see, but I would guess approximately 30 of them are available for field assignments. That is, they travel to various places in the United States and work with the U.S. attorneys, work with the investigative agency on these particular organized crime problems. In addition to this, we have approximately six attorneys stationed in the U.S. attorney's office in Chicago.

We have one and occasionally two in Kansas City, Mo. We have three in Miami, Fla. We have one almost full time in the eastern district of New York, Brooklyn.

Mr. BOW. These are on the district attorney's payroll; are they?

Mr. MILLER. No; they are on our payroll.

Mr. BOW. You have some of these overseers where they are on the district attorney's payroll?

Mr. MILLER. Yes, sir. In the southern district and in Los Angeles, these two units were at one time paid by the Criminal Division and for some subsequent time, before I got here, it was changed over to the U.S. attorney's office.

Mr. BOW. Give us a résumé of what this so-called mobile unit has been doing in the last year.

Mr. MILLER. Yes; I can.

Mr. BOW. Submit it for the record.

Mr. MILLER. All right.

Mr. BOW. That is all; thank you, Mr. Chairman.

(The requested information as subsequently supplied follows:)

MOBILE UNIT ACTIVITIES

As indicated, permanent organized crime units are now operating in the offices of the U.S. attorneys in New York, Chicago, Los Angeles, and Miami. We still maintain a group of attorneys as a mobile force to go into other areas as the needs for grand jury action and for assisting in prosecutions dictate. The U.S. attorneys and their staffs have, however, now been able to assume a greater responsibility in the organized crime drive and operate as coordinators of the program to a degree that heretofore was impossible.

Because of the long-range nature of some of the grand jury action, however, and because of the serious impact this would have upon the normal workload of U.S. attorneys' offices, a need for a mobile group of attorneys operating out of the Department in Washington is expected to continue for some time. During the past year we have sent teams of attorneys to such diverse areas as Pittsburgh, Pa.; Detroit, Mich.; Newport, Ky.; Beaumont, Tex.; Reading and Philadelphia, Pa.; Youngstown, Ohio; New Orleans, La.; Toledo, Ohio; Denver, Colo.; and Las Vegas, Nev.

As examples of what some of these attorneys have been accomplishing during the past year, in Pittsburgh, Cosa Nostra Chieftain Sam Mannarino was convicted on tax evasion; topflight Numbers Operators Grosso, Sigal, and Katz were convicted during the past fiscal year for wagering-tax evasions. In Detroit, leading Syndicate Racketeer Rubino is now on trial for bankruptcy fraud, and Tony Giacalone, leading syndicate gambler in the area, has been indicted. The presence of departmental attorneys in these areas, working closely with the U.S. attorneys, helped materially to facilitate and expedite these investigations to the prosecutive stage.

Attorneys from this mobile group tried the case of Richard Gosser in Toledo and the *Lassoff* case in New Orleans, as well as gambling cases in Philadelphia. Others have been engaged in grand jury presentations in several other parts of the country or in the necessary work of coordinating the activities of the investigative agencies looking toward future grand jury action.

We have found that, as a result of the excellent intelligence furnished the Organized Crime Section by the FBI and other investigative agencies, we are now able to pinpoint our initial investigative action on specified targets and follow up this investigative work with teams of attorneys sent from the Criminal Division. This concentrated effort has made possible the increased production of indictments and convictions in the field of organized crime during the past year.

In addition, as the Attorney General pointed out in his testimony before the Senate Select Committee on Investigations, the contribution of informants to the overall intelligence picture furnished by the FBI has contributed materially in enabling us to pinpoint those areas where we can best utilize our limited manpower.

Mr. ROONEY. Thank you, Mr. Miller and gentlemen.

Mr. MILLER. Thank you very much, Mr. Chairman.

MONDAY, JANUARY 27, 1964.

CIVIL DIVISION

WITNESSES

JOHN W. DOUGLAS, ASSISTANT ATTORNEY GENERAL
ANTHONY L. MONDELLO, CHIEF, OFFICE OF ALIEN PROPERTY
MRS. A. M. SANFORD, ADMINISTRATIVE OFFICER

Mr. ROONEY. The next Division under "Salaries and expenses, general legal activities," is the Civil Division. The details are to be found under tab 14 of the justifications.

We shall at this point in the record insert pages 14–1 through 14–27.

(The pages follow:)

Civil Division

Appropriation, 1964	$4,182,700
Less transfer to General Services Administration for rent	−10,000
Appropriation, 1964 (adjusted)	4,172,700
Estimate, 1965	4,414,000
Increase	241,300

The Assistant Attorney General in charge of the Civil Division directs and supervises the general litigation of the Government. This litigation arises out of the activities of all Federal departments and agencies, involves civil actions by and against the United States of almost every type, and amounts to more than 8,500 new cases a year.

In order to handle a caseload of this size and diversity as effectively as possible, the Civil Division staff is distributed among nine areas of litigation, or sections, within which a much higher degree of specialization is practiced. The broad categories of cases on which the Division's organization is based are:

Admiralty and shipping cases.—All legal proceedings involving ships, shipping, navigable waters, and workmen's compensation.

Court of Claims cases.—All suits brought in this court except patent infringement, admiralty, tax refund, and Federal lands cases.

Customs cases.—All litigation arising out of the appraisal, classification, and imposition of duties on imported goods.

Fraud cases.—Suits to recover statutory damages and forfeitures based on false claims and misrepresentations in transactions with Federal agencies.

Patent, trademark, and copyright cases.—Infringement suits against the United States and all other actions involved in establishing or defending the rights and interests of the Government.

Tort cases.—All suits against the United States under the Tort Claims Act involving claims in substantial amounts; large claims in tort on behalf of the Government.

General claims.—Government claims founded on contracts, guarantee loans, insurance, loss of property; collection actions, post judgment proceedings and foreclosures on Government mortgages; actions to assert or defend the Government's interests in bankruptcy, insolvency, foreclosure proceedings and suits to quiet title; suits under various statutes to recover civil penalties, forfeitures, and special damages.

General litigation.—Suits to enjoin administrative acts, mandamus Federal officials, review orders of Government agencies and suits challenging the constitutionality of acts of Congress; enforcement proceedings under the Labor Management Act and injunctions under the Taft-Hartley Act; litigation under the Renegotiation Act and the defense of large volume of suits under various statutes.

Appellate cases.—All appellate cases and matters arising out of Civil Division cases.

AMOUNT REQUESTED

The Civil Division estimates that an allotment of $4,414,000 will be required for the fiscal year 1965. This exceeds the 1964 allotment by $241,300.

The items of increase or decrease are:

Cost of statutory provisions:	
Additional Pay Act costs	$79,900
Within-grade promotions	65,900
Regular pay above 52-week base	−14,000
Personnel benefits related to above	4,300
Total	136,100
Increase in fees of foreign counsel	10,000
Provision for higher costs for miscellaneous services and facilities:	
Travel	75,000
Rents, communications, and utilities	7,000
Other services	5,200
Equipment	8,000
Total	95,200
Grand total	241,300

GENERAL STATEMENT

The Civil Division's request provides for 198 legal and 192 clerical positions in 1965. This is the number of positions authorized for 1964. The increase of $241,300 is needed to comply with statutory requirements and to meet increased litigation costs.

The Division began fiscal 1963 with 14,344 cases, involving $1,286 million. During the year, 8,720 new cases were received. This amounts to an increase over fiscal 1962, and continued a gradual rise over the past 6 years in the number of new cases received by the Division. The Division concluded 9,900 cases in 1963, a larger number than in any previous year. At the end of the year, the caseload had been reduced to 13,164. The total amount involved, however, had increased to $1,302 million.

Of the 9,900 cases terminated during the year, 6,167 were suits against the United States, claiming a total of $265,847,915. Recoveries in these cases were held to $14,908,907. In the 3,733 cases on behalf of the Government, a total of $90,210,387 was claimed and $26,657,424 was recovered. Total collections amounted to $24,794,992.

The workload of each section during fiscal 1964 is presented statistically and briefly described in the pages which follow:

Explanation of estimate by activity—Admiralty and Shipping Section

	Actual			Estimated	
	1961	1962	1963	1964	1965
Workload data:					
Cases pending July 1	1,618	[1] 1,701	[2] 1,608	1,664	1,714
New cases received	593	804	877	900	950
Cases terminated	536	888	821	850	900
Cases pending June 30	1,675	1,617	1,664	1,714	1,764
Man-years, attorneys	24.2	24.2	23.9	25	25

[1] Adjusted to include active cases in postjudgment status.
[2] Corrected figure.

The Admiralty and Shipping Section has a staff of 25 attorneys stationed in Washington, New York, and San Francisco. These attorneys carry assignments averaging more than 70 cases per attorney. Many of the cases require unusually extensive trial preparation and a large percentage go to trial.

The majority of the cases pending in this section are suits by and against the Government (1) in contract, involving shipping and the chartering, construction, and repair of vessels, and (2) in tort, based on collisions, damage to shore facilities, cargo damage or loss, and personal injury to seamen, longshoremen, and other personnel. Over $125 million is claimed in cases of this sort pending at the present time. Because of the specialized nature of these cases and their bearing on Government shipping operations and maritime policy, they are handled entirely by Admiralty Section attorneys.

Some increase in the number of new cases has been estimated for 1964 and 1965, and we expect a marked increase in both the time and expense this litigation will require. Our estimate is based in part on recent court decisions which have continued to hold the Government liable for unsuccessful search and rescue operations, ineffective marking of navigational hazards, insufficient buoyage of wrecks and obstructions, and other unsuccessful public services. Liability in these areas is new and has not been anticipated by the agencies from whose activities the suits arise. They have had little or no experience with the records, reports, and statements of witnesses which our attorneys must obtain in order to prepare the Government's defenses.

In addition, the recent increase in the judiciary has brought a substantial increase in the number of pretrial conferences and the extent of motion practice. This increases the demand for attorney time and travel. It has also added to the burden and expense of defense, thereby permitting plaintiffs to raise their settlement demands with the result that more cases must be tried.

Court of Claims Section

	Actual			Estimated	
	1961	1962	1963	1964	1965
Workload data:					
Cases pending July 1	1,114	[1] 1,069	977	930	930
New cases received	293	259	181	250	250
Cases terminated	334	351	228	250	250
Cases pending June 30	1,073	977	930	930	930
Man-years, attorneys	36.5	37.2	40.7	40	40

[1] Adjusted figure due to transfer of cases among sections.

The above cases include suits arising out of construction, procurement, and other contracts; contract termination claims; salary, retirement, pay, and allowance claims of civilian and military personnel; claims for transportation of Government property claims for just compensation under fifth-amendment requisitions of private property; congressional reference cases, cases authorized by special acts of Congress, and miscellaneous cases arising under general statutes and the Constitution.

Over the past 3 years there has been a substantial decline in the total number of such cases filed in the Court of Claims. However, the actual workload of this section has increased substantially over the same period because of the sharp rise in the number of complex construction and procurement contract cases.

At the beginning of 1964, the section had 154 construction suits and 124 procurement suits in various stages of litigation, claiming a total of $147 million. The staffing of these cases has become a serious problem because of the attorney-hours required in preparing the Government's defense and the time involved in the trial of the cases which cannot be settled. Many cases, and particularly the construction contract cases, require from 1 to 2 man-years for preparation, trial before a commissioner, and briefing for the court. For example, three attorneys are now assigned to a construction suit, the *Cronin* case, which is in its 17th week of trial following almost 2 years of preparation. In the *Commerce International* case, a procurement contract suit in which trial has been completed and briefing started, a total of 432 man-days has thus far been spent.

As to the number of cases in the 1964 and 1965 workloads, the estimated increases involve, in principal part, civilian and military pay cases. The Supreme Court decision in the case of *Williams* v. *United States* and the failure of the Civil Service Commission to amend its regulations thereafter, can be expected to bring many suits to the Court of Claims raising the issue of violation of procedures set out in civil service and agency regulations. A large number of civilian pay cases are likely to follow the recent filing of a test case, *Schellfeffer* v. *United States*, claiming an increase in civilan retirement pay based on interpretation of pay legislation.

In the area of military pay, a number of suits can be expected from former military personnel for pay and allowances on claims of violation of constitutional rights pursuant to their administrative release from military service with less than a full honorable discharge. There have been 18 bills (S. 2002–S. 2019) introduced in the Senate which are designed to guarantee constitutional rights to servicemen. In view of the evident interest in this legislation and the issues involved, an increase in the number of claims for pay and allowances based on alleged violations of constitutional rights can be expected regardless of whether the bills are enacted into law.

To enable the attorneys of the Court of Claims Section to prepare the cases before answer, or at least before pretrial, it is necessary to maintain a staff of at least 40 attorneys during fiscal 1965. This is important not only because of the amount of money now claimed in active litigation, but because of the impact of the court's decisions upon the fiscal, personnel, and contracting policies and procedures of the entire Government. Very often, the amount involved in a pay case or other small claim is totally disproportionate to the amounts of the disbursements or savings resulting from the court's decision on that case. An example is the *Schellfeffer* case, mentioned above, in which an increase is sought in civilian retirement allowances under statutory interpretation. Recovery in that case would amount to a few thousand dollars at most; however, the Civil Service Commission estimates that the total amount involved in ad-

ministrative claims which would be asserted on the principle of this case approximates $75 million.

CUSTOMS SECTION

The Customs Section defends appeals for reappraisement for imported merchandise, protests for review of classification of such goods, actions for redetermination of appraisal values and petitions for remission of duties. The report of the U.S. Customs Court for fiscal 1963 shows 186,452 pending cases, as compared with 176,258 cases pending in that court at the end of fiscal 1962.

Customs cases are generally disposed of by abandonment or stipulation following decisions in test cases. While the Customs Section attorneys handle all stipulations following a test case, the test cases themselves constitute the most important part of the Section's workload. These test cases are tried in New York and in 90 out-ports throughout the United States.

During 1963, 2 attorneys were transferred to this Section from other Sections in the Division and there are now 13 attorneys on this staff. In 1962, when there were only 10 attorneys in the Section, the Customs Court reported that the progress of its work was impeded by the failure to provide a sufficient number of attorneys for the Government.

In 1963 the customs attorneys tried 369 test cases, as compared with 218 cases tried in 1962. Of these cases, 224 were tried at out-ports as against 128 out-port trials in 1962. During 1963, customers attorneys were away from New York on 27 out-port circuits for a total of 385 days. This schedule places a heavy strain on a small Section which must continue to service the New York dockets, and continue the investigating, preparation of briefs, and other work of the Section involved in handling the cases. The out-port schedule also increased travel costs, and since the Section will try a larger number of test cases in 1965, additional money for travel will be required.

In order to try 369 cases, the attorneys had to be prepared for trial in a far greater number of cases because the practice of counsel for the importers is to notice cases for trial which they either seek to continue or abandon on the date of trial. The increase in the number of trials was due in great part to the fact that the Government was in a position to insist that cases noticed for trial be tried or abandoned, and that cases which had been on the calendar 4 or more years be brought on for trial or be subject to motions to dismiss for lack of prosecution.

During the past year, 154 briefs were prepared and filed by the customs staff. In addition to the briefs, an unprecedented number of memoranda was filed with the Customs Court in support of, or in opposition to, motions. The increase in this work was due in part to the fact that memoranda were filed in opposition to motions for rehearing, review, filing of reply briefs and various other motions which in the past had not been opposed.

The additions to this staff during 1963 will enable the Section to make a further increase in the number of cases tried in New York and, particularly, at the out-ports. The larger staff will also permit senior attorneys to devote a greater portion of their time to the preparation of cases which involve important precedents, novel questions of law, or exceptionally large amounts of revenue.

A new tariff classification schedule, pursuant to the Trade Expansion Act of 1962, is expected to be promulgated during 1964. The new schedule will undoubtedly result in increased litigation as importers seek to clarify the new law and the new schedules under it. However, a further increase in this staff is not requested at this time.

Frauds Section

	Actual			Estimated	
	1961	1962	1963	1964	1965
Workload data:					
Cases pending July 1	1,041	[1] 1,274	1,315	1,412	1,562
New cases received	507	641	738	800	800
Cases terminated	453	600	641	650	650
Cases pending June 30	1,095	1,315	1,412	1,562	1,712
Man-years, attorneys	16.5	15	15.8	15	15

[1] Adjusted to include active cases in postjudgment status.

The Frauds Section is responsible for suits under the False Claims Act to recover double damages and civil penalties, suits under the Surplus Property Act to recover double damages and penalties or other elective remedies, suits under the Anti-Kickback Act, and common law fraud actions.

Each matter referred to the Frauds Section is reviewed by one of the supervisory attorneys to determine whether it warrants assignment to a staff attorney. During 1963, in addition to the 738 new cases received, 2,659 potential claims in small amounts were thus reviewed. Of these, 2,036 were delegated to U.S. attorneys for appropriate action without supervision, and 623 matters were closed. The 738 new cases in 1963 amount to a significant increase over the 641 cases received in 1962, and the 507 cases in 1961. If fraud cases continue to develop at the same rate in 1964, it will be necessary to increase the staff of this section.

The U.S. attorneys try most of the fraud cases, but about 15 to 20 percent of the cases are tried by attorneys of this section. Some of the cases, and particularly those involving companies performing under large and complicated Government contracts, require handling by attorneys who have become specialists in the trial of difficult fraud cases. In other instances, the U.S. attorneys' staffs are not large enough, or have not had sufficient experience, to undertake the litigation of an important fraud suit.

The Frauds Section maintains very close supervision over all cases handled by U.S. attorneys, reviews all pleadings and briefs before they are filed, consults with the U.S. attorneys on the theory of the cases, assists in obtaining and marshalling the evidence, and conducts the settlement negotiations in important cases. Careful supervision over the filing and progress of fraud cases is essential because of the potential amount of the Government's recoveries in fraud cases handled each year, the special problems involved in establishing fraud and proving damages, the nature of the allegations on which the claims are based, and the general deterrent effects of successful prosecutions. A total of $40,603,388 is claimed by the Government in pending cases. The evidence required to prove fraud in these cases is subject to special standards, and maximum recoveries depend upon elaborate preparation and presentation of all the evidence going to the extent of the losses sustained by the Government.

General Litigation Section

	Actual			Estimated	
	1961	1962	1963	1964	1965
Workload data:					
Cases pending July 1	7,162	[1] 8,976	7,456	[3] 2,254	2,354
New cases received	5,344	4,876	5,014	2,100	2,200
Cases terminated	4,373	[2] 6,396	6,482	2,100	2,100
Cases pending June 30	8,133	7,456	5,988	2,354	2,454
Man-years, attorneys	37.4	33.3	34.5	[4] 17	17

[1] Adjusted to include active cases in postjudgment status and transfer of cases among sections.
[2] 1,208 cases closed under delegation order.
[3] 3,734 cases transferred to new General Claims Section.
[4] 19 attorneys transferred to General Claims Section.

During the second quarter of fiscal year 1963, the number of cases pending in the General Litigation Section reached 8,100. In order to obtain closer supervision of the handling of these cases and to expedite the disposition of several large categories of claims on behalf of the United States, the General Litigation staff was divided into two sections. The new section of 19 attorneys, General Claims, was made responsible for approximately 73 percent of the total pending cases. At the end of the year the 8,100 caseload had been reduced to 5,988. The workload data and case disposition progress of both sections in 1963 is consolidated above.

The General Litigation Section retained responsibility for suits by and against the United States in Federal district courts to review orders of administrative agencies; suits involving mandamus and injunction against Government officials; litigation challenging the constitutionality of acts of Congress; renegotiation litigation in the Federal district courts and the Tax Court; Taft-Hartley injunction suits in labor disputes affecting the national health and safety; enforcement

proceedings under the Labor-Management Act of 1959; the defense of suits under the Social Security, Agricultural Adjustment, Civil Service and Veterans Preference Acts, and the defense of contracts suits under the Tucker Act.

A substantial change in the volume of work is anticipated by reason of the operation of Public Law 87–748, approved October 5, 1962. This statute allows suit to be filed against Government officers or employees in judicial districts outside the District of Columbia where most of these suits were previously required to be brought for reason of venue and jurisdiction. It is anticipated that—

(*a*) There will be many more suits involving mandamus and injunction against Government officials because they may be filed in the jurisdiction in which plaintiff resides rather than in the District of Columbia.

(*b*) Additional work will be required for supervision of such suits because the U.S. attorneys will not be familiar with this type of suit (as was the Office of the U.S. Attorney in the District of Columbia). Moreover, these suits will not be as familiar to judges in many jurisdictions as they are to judges in the District of Columbia. Accordingly, more extensive briefs and background material will be necessary.

(*c*) Additional travel will be required by the attorneys of the General Litigation Section. These injunction and mandamas suits are usually very important and frequently quite difficult cases, and they often involve challenges to the constitutionality of acts of Congress or administrative agencies.

In 1962 this Section handled 135 injunctions and mandamus suits, 71 of which were brought in jurisdictions other than the District of Columbia. In 1963 there were 211 such suits, and 130 were brought outside the District. The impact of Public Law 87–748 cannot, of course, be projected on the basis of these figures. However, they do show that the total cases filed outside the District of Columbia in 1963 was almost as many as the annual total in 1962, and they also show a substantial increase in this type of case in the District in 1963.

General claims section

	Actual			Estimated	
	1961	1962	1963	1964	1965
Workload data:					
Cases pending July 1				[1] 3,734	3,734
New cases received				3,850	3,850
Cases terminated				3,850	3,850
Cases pending June 30				3,734	3,734
Man-years, attorneys				21	21

[1] Cases transferred from the General Litigation Section.

This section is now responsible for general monetary claims on behalf of the United States based on contract, quasi-contract and statutes; mortgage foreclosures arising out of FHA housing projects and other Federal loan programs; recoveries under the Walsh-Healey Act, treble damage claims under the Elkins Act, and claims for forfeitures and penalties under other statutes; collection proceedings, lien foreclosure actions, and suits against guarantors and sureties; bankruptcy and insolvency proceedings; actions against the Government to foreclose and quiet title; the defense of veterans' insurance litigation and the enforcement of veterans' reemployment rights in private industry.

Of the 3,734 cases pending in this section at the beginning of 1964, 3,471 involved monetary claims on behalf of the United States to recover a total of $169,028,844. The attorneys in this section conduct the trial of the most difficult cases and those for the recovery of unusually large amounts of money. For example, they handle the suits on large Government contracts, complicated bankruptcy cases, and many of the cases involving the Government's lending institutions. However, most of the cases assigned to this section are tried by the U.S. attorneys. The staff of the section is primarily responsible for the supervision of over 175 cases per attorney, and for providing as much guidance as possible to the U.S. attorneys and their assistants.

The workload data relating to this section in 1963 was included with the statistics on the General Litigation Section. The case estimates shown above for 1964 are based upon the experience of the section during the last 6 months of

1963, and upon advice from FHA and HHFA regarding substantial increases in the number of foreclosure actions and claims for collection of planning advances which those agencies will refer to the Civil Division in 1964.

Patent section

	Actual			Estimated	
	1961	1962	1963	1964	1965
Workload data:					
Cases pending July 1	292	[1] 305	298	310	310
New cases received	109	92	103	120	120
Cases terminated	98	99	91	120	120
Cases pending June 30	303	298	310	310	310
Man-years, attorneys	14.4	14.9	17.6	18	18

[1] Corrected figure.

While the number of patent cases filed has remained fairly constant over the past several years, an increase in the workload of this section is expected in 1964 and 1965 because patent suits are roughly proportional to the amount and kind of equipment procured by the Government. The military services, NASA and the Atomic Energy Commission will be procuring a greater amount of equipment, and more novel equipment, than they have in the past years. Also some additional work and considerable travel will be necessary because of the passage of Public Law 87–748 which permits suits against Government officials in jurisdictions other than the District of Columbia. Actions defended by the Patent Section which may now be filed in other judicial districts include suits under the Patent Secrecy Act and Mutual Security Act, and suits against the Commissioner of Patents to compel the issuance of a patent.

Of the 310 cases pending at the end of 1963, 72 are suits in the Court of Claims which seek just compensation for alleged patent infringement by the United States. The ad damnum clauses of 13 of these claims allege compensation in the amount of $168,279,120. In the other 59 cases no specific amount is stated, but it is now estimated that the amount involved in these cases is approximately $350 million.

In 1963 the staff of the Patent Section was increased to 18 attorneys, and the same number will be needed in 1964 and 1965 to expedite the disposition of the patent infringement cases against the Government. In these cases, interest is awarded from the date of filing as part of just compensation. With an estimated one-half billion dollars involved in pending cases, the Government may expect to pay money judgments of at least $50 million. If 1 year could be cut off the total pendency of all these suits, a saving of $2 million would result.

Torts Section

	Actual			Estimated	
	1961	1962	1963	1964	1965
Workload data:					
Cases pending July 1	2,103	[1] 2,542	2,445	2,610	2,830
New cases received	1,429	2,048	1,799	1,920	1,920
Cases terminated	1,308	2,145	1,634	1,700	1,700
Cases pending June 30	2,224	2,445	2,610	2,830	3,050
Man-years—Attorneys	18.9	16	19.2	22	22

[1] Adjusted figure due to transfer of cases among sections.

The number of suits against the Government under the Tort Claims Act has increased each year.[1] A total of 1,664 suits were filed against the United States

[1] The workload data presented above for fiscal 1962 includes torts claims on behalf of the Government. The figure for cases received in 1962 was thus increased by 483 cases. Virtually all such cases are small claims for property damage which since November 1962 have been referred directly to the U.S. attorneys.

in 1963, as compared with 1,565 in 1962, and 1,429 in 1961. The total amount claimed in pending suits against the Government at the end of the last 3 years was as follows: 1961, $245,626,010; 1962, $330,241,000; and 1963, $389,439,472. The increase in the number of cases, the amount claimed, and the difficulty and expense involved in defending them, can be expected to continue with the expansion of Government activity in various areas, particularly those relating to national defense.

The reasons stated in requesting six additional Torts Section attorneys for fiscal 1964 apply even more strongly to the workload the Section will have by 1965. The principal reasons set forth last year, and two new considerations of some consequence, can be indicated briefly as follows:

(*a*) The increasing volume of cases arising out of aviation accidents. At the beginning of fiscal 1962 there were 126 such cases pending, claiming a total of $32,192,947. By the beginning of 1963, 342 aviation cases were pending, claiming $129,704,047, and by the beginning of 1964, 402 cases of this type were pending, claiming a total of $171,244,975.

(*b*) The increasing volume and dollar value of suits based on medical malpractice. At the start of fiscal 1962, there were 71 pending malpractice cases, claiming $30,974,484. This is to be compared with 141 cases, claiming $32,663,000, pending at the beginning of 1963, and 147 cases, claiming $46,556,689, pending at the beginning of 1964.

(*c*) The increasing volume of miscellaneous tort cases, primarily the vehicular torts and torts based upon explosions, defective premises, etc.

(*d*) The amendment to 28 U.S.C. 2679—the Government Drivers Act—pursuant to which the United States has obliged to defend and assume responsibility for a substantial number of suits against Government drivers which, prior to March 21, 1962, were defended by insurance companies. In fiscal 1963, there were 127 new cases in this category.

(*e*) The Supreme Court's decision in the *Winston* and *Muniz* cases removing the court-imposed impediment to suits by Federal prisoners. There are 12 pending cases in this category.

(*f*) The possible additional tort exposure to the Government stemming from the Food and Drug Amendments of 1962, Public Law 87–781.

Appellate section

	Actual			Estimated	
	1961	1962	1963	1964	1965
Workload data:					
Cases pending July 1	302	300	374	390	440
New cases received	841	931	1,039	1,100	1,175
Cases terminated	843	857	1,023	1,050	1,100
Cases pending June 30	300	374	390	440	515
Man-years, attorneys	17	18.1	18.9	22	22

The main responsibilities of the Appellate Section involve (1) cases in the U.S. Supreme Court, (2) cases in the Federal courts of appeals and State appellate courts, and (3) memorandum reviewing adverse decisions and recommending for or against appeal or certiorari.

In fiscal 1963, the Supreme Court passed on 83 cases in which briefs in opposition to certiorari were prepared by attorneys of the Appellate Section. Certiorari was denied in 79 of these cases. The Section attorneys prepared 14 briefs on the merits in cases decided during the year in the Supreme Court, 11 of which were won by the Government. They also prepared eight petitions for certiorari, seven of which were granted.

During the year a total of 318 Civil Division cases were decided by U.S. circuit courts of appeals. Two hundred and fifty-two decisions were in favor of the Government. The Appellate Section attorneys briefed and argued the majority of these cases, including most of the appeals on behalf of the Government from the adverse decisions of the district courts. They were able to obtain reversals in 67 percent of the cases appealed by the Government.

In 1963 the Section researched and analyzed every trial and appellate court decision adverse to the Government in Civil Division cases, and prepared 491 memorandums recommending for or against further action.

The increase in the work of this Section, shown in the above workload data, can be expected to continue through 1964 and 1965.

MISCELLANEOUS SERVICES AND FACILITIES

A substantial increase in the allotment for travel in 1965 is necessary because of (1) the increasing volume of new cases, (2) the much higher percentage of new cases which must be tried by Division attorneys, (3) the large number of such cases involving extensive travel prior to trial for the interviewing of witnesses and for pretrial conferences and proceedings, and (4) the general acceleration of litigation as the result of the appointment of additional Federal judges. A summary of the increasing travel costs mentioned in the preceding pages on the workload of the Sections in 1965 follows:

Tort Section.—Substantially increased travel expenses in connection with the defense of suits arising out of airline crashes; increased travel for trial and pretrial proceedings in malpractice cases.

Appellate Section.—Because of the sharp increase in appellate litigation, travel for oral argument will be required in from 30 to 40 additional cases during 1965.

Customs Section.—The travel to reduce the critical backlog of cases in the Customs Court will continue in 1964 and 1965. In 1963, the Customs attorneys were able to try 224 test cases on outport dockets as compared with 128 outport trials in the previous year, and the addition of 3 attorneys to this staff will enable the Government, in 1964 and 1965, to insist on the trial of a much larger number of old cases under which thousands of claims are now suspended.

General Litigation Section.—On the basis of its effect in the first 7 months following enactment, Public Law 87–748 will involve very substantial expenditures for travel by the attorneys of this Section.

Patent Section.—Public Law 87–748 will undoubtedly require some additional travel by patent attorneys in 1965, particularly in suits under the Patent Secrecy Act and suits against the Commissioner of Patents.

Admiralty and Shipping Section.—The appointment of additional Federal judges has had its greatest effect on travel costs of this Section. This is the result of a substantial increase in the number of pretrial conferences, motion arguments, and the general acceleration of litigation.

Court of Claims Section.—The construction contracts suits now pending will alone involve heavy additional travel expenses through 1965, and the overall increase in suits on major Government contracts will require a large number of extensive hearings throughout the country. In addition, we hope eventually to eliminate the practice in this Section of requiring the attorneys out of town on trial to take over the trial of other cases which will commence in adjacent cities. The attorneys are required to assume this responsibility on short notice and do not have the opportunity to become adequately prepared. The Court of Claims Section has had no resort to this practice in an effort to cut down travel expenses, but these relatively small savings do not justify the risks to the Government's interests which are necessarily involved.

The additional money requested for equipment will be used to purchase furniture for the west coast office of the Admiralty and Shipping Section and for the Customs Section. These two offices will be moved into new Federal buildings and the General Services Administration would prefer to discard the dilapidated furniture now in use in those offices.

Workload

	Actual			Estimated	
	1961	1962	1963	1964	1965
Cases or matters—					
Pending beginning of year	13,632	[1] 16,399	[2] 14,710	13,544	14,124
Received	9,116	9,768	9,814	11,160	11,395
Terminated	7,945	[3] 11,448	10,980	10,580	10,790
Pending end of year	14,803	14,719	13,544	14,124	14,729

[1] Adjusted to include active cases in postjudgment status.
[2] Corrected figure.
[3] 1,208 cases closed under delegation order.

Mr. ROONEY. The request is in the amount of $4,414,000, which would be an increase of $241,300 over the amount appropriated for the current fiscal year. The requested increases are set forth at page 14–4 of the justification book. This page would indicate that $136,100 of the requested $241,300 is for items which are statutory; is that correct?

Mr. ANDRETTA. Yes, sir.

Mr. ROONEY. You have requested increases of $10,000 for fees of foreign counsel over and above the amount that you are allowed in the current year budget, and $95,200 for travel, rent, communications, and utilities, other services, and equipment; correct?

Mr. DOUGLAS. Yes, sir.

Mr. ROONEY. We are honored to have with us the distinguished Assistant Attorney General, Mr. John W. Douglas.

Mr. Douglas, do you wish to direct your remarks to page 14–4 and explain to us the alleged necessity of this increase of $105,200?

Mr. DOUGLAS. Yes, Mr. Chairman.

FEES FOR FOREIGN COUNSEL

We are asking for a decrease of $10,000 for fees of foreign counsel. That would mean, if our request is granted, that we would be spending $35,000 for the next fiscal year on this item.

Over the past 7 years, we have spent an average of $45,000 a year on this particular item so we think that $35,000 is a reasonable amount.

Mr. ROONEY. Perhaps you were spending too much in those previous years.

Mr. DOUGLAS. That is possible, Mr. Chairman, although we try to haggle with the attorneys we hire abroad. It is not always successful.

Mr. ROONEY. Do we not back up your hand in haggling with these attorneys abroad when they see that in your budget you do not have as much money as you had before?

Mr. DOUGLAS. I do not know, Mr. Chairman, that they ever are aware of what the particular figures are.

Mr. ROONEY. If they were good lawyers and worthy of being hired by you, I think they would be smart enough to know that.

Mr. DOUGLAS. I think that the $35,000 figure would dampen their enthusiasm down to a proper level, Mr. Chairman.

Mr. ROONEY. You think it is more realistic than $45,000?

Mr. DOUGLAS. Yes, sir.

Mr. ROONEY. We have got to help the President this year.

Mr. DOUGLAS. I am all in favor of that, Mr. Chairman.

Mr. ROONEY. The President wants to reduce the budget as far as possible so why could we not start with this $105,200 shown on page 14–4?

Mr. DOUGLAS. Well, could I refer to the other items, Mr. Chairman?

Mr. ROONEY. Surely. In interpolating these questions, I am not trying to shut you off in the slightest. You have the floor.

INCREASE FOR TRAVEL

Mr. DOUGLAS. The $75,000 we are asking in addition to our present appropriation travel is a substantial increase, a large increase.

Mr. ROONEY. Let us see how large it is. One second, if you will. It goes from $113,500 to $188,500. That is quite substantial.

Mr. DOUGLAS. Mr. Chairman, basically we would like to get our attorneys spending more time on important cases and in active supervision and less time shuffling papers. We think that we can do that only by having more travel.

With your indulgence, Mr. Chairman, I would like to spell out how the $75,000——

Mr. ROONEY. You are not saying that there would be less waffle pushing to the extent of 60 percent, which is about what the increase in travel is? You would not have 60 percent less papers?

Mr. DOUGLAS. What I am saying is that I would like to have our people concentrate more on the larger, more important cases. We can only do that by having them travel rather than send letters and memorandums.

Mr. ROONEY. I do not think you have given us $75,000 worth yet.

Mr. DOUGLAS. I appreciate that, Mr. Chairman.

INCREASE IN AVIATION ACCIDENT CASES

From our Torts Section we are asking for an additional $25,000. We have three very large aviation accident cases which we are going to go into in fiscal 1965. They are the Boston Harbor crash, the crash of the Pan American airliner outside of Baltimore a few weeks ago, and the crash of the Eastern Air Lines plane at Idlewild. In addition, we have an increasing number of malpractice cases which have to be handled, in large measure, by our own attorneys. At the end of June 30, 1962, we had 141 such cases involving $32 million. As of December 31, 1963, we had 156 cases totaling $59 million. So, we have to face this increase in specialized litigation and, in my opinion, this calls for more travel.

INCREASES REQUESTED FOR CUSTOMS CASES

We budgeted $5,000 as an increase for Customs. There, the number of trials of test cases in New York and at all outports has continued to increase. In fiscal 1963, we had 369 test case trials as against 218 in fiscal 1962. We had outport trials of 224 in 1963 as against 128 in fiscal 1962.

Because of complaints by the court in previous years, we have added three attorneys to that Section. There are also two vacancies on the Customs Court and when those vacancies are filled, this will mean more outport trials and accordingly we think more travel expenses.

In the Court of Claims, we are asking for an additional $20,000 for two reasons. If you disagree with the reasons, then we should not get the $20,000. If you do agree, then I think that that amount is justified.

Our two reasons are these: First, we have had to follow the practice in past years of sending a single attorney along with a Commissioner, who goes from city to city. That attorney tries most of

the cases, if not all of the cases, on that trip. This is not satisfactory in that we cannot reassign cases sufficiently far in advance so that an attorney who goes on that trip will have prepared on those cases for a sufficiently long period of time. We would like to send several attorneys out on Commissioner trips and have one attorney take some trials and another attorney take some others. That is our first reason.

The second reason relating to increased travel for the Court of Claims Section is that we would like to send an experienced attorney along with our inexperienced attorneys on some trips. We do that here in Washington but there are not always enough trials here to give our inexperienced lawyers some experience.

Mr. ROONEY. You have the Office of Alien Property now, Mr. Douglas?

Mr. DOUGLAS. Yes, sir.

Mr. ROONEY. I can well remember being subpenaed as a witness here in the district court on another case while they were trying a $10,000 alien property case in which they had five lawyers in the courtroom.

Mr. DOUGLAS. Was that during the last fiscal year?

Mr. ROONEY. No; it was during the last administration.

Mr. DOUGLAS. That is something we disapprove of. We will be particularly careful not to have that happen.

TRAVEL ECONOMY PROGRAM

Mr. ROONEY. By the way, on this travel item which appears to be the principal part of your requested increase, have you participated in Mr. Andretta's travel economy program?

Mr. DOUGLAS. We have tried to cut down travel wherever possible.

Mr. ROONEY. But you know Mr. Andretta has such a program?

Mr. DOUGLAS. Yes, sir.

Mr. ROONEY. Have you participated in that?

Mr. DOUGLAS. We have avoided sending attorneys out on investigations wherever possible.

Mr. ROONEY. I am speaking of using economy or coach fares rather than first-class or pullman fares.

Mr. DOUGLAS. We always travel economy class when available, Mr. Chairman.

Mr. ROONEY. You do?

Mr. DOUGLAS. Yes, sir.

Mr. ROONEY. You received a letter from Mr. Andretta? I believe it says:

> I have been informed by the Management Office that a recent examination of the vouchers of—such-and-such a Division—for the last quarter revealed a near perfect condition. I am particularly impressed with the way the lawyers in your Division honor the spirit as well as the letter of the travel economy program.

Do you have a letter like that?

Mr. DOUGLAS. I think we did.

Mr. ROONEY. Do you send them to everybody?

Mr. ANDRETTA. I sent the memo around to everybody.

Mr. ROONEY. All right, Mr. Douglas.

Mr. DOUGLAS. Mr. Andretta has been a very stern taskmaster on this and has made it a point to hammer on this in informal get-togethers as well.

Our desire to send experienced attorneys out with our inexperienced ones is borne out by the fact that when you send an inexperienced attorney out, while he may do an adequate job, he is not going to represent the Government as well as we think it should be represented. So much for the Court of Claims Section.

INCREASED TRAVEL FOR GENERAL LITIGATION

On "General litigation," we have budgeted $20,000 in additional travel. This stems from two basic facts.

First, as a result of Public Law 86–748, mandamus and injunction actions can be brought against Government officials in a district other than the District of Columbia. This meant that whereas in 1962 we had 71 injunction actions outside of the District of Columbia, in 1963 we had 130. I think we can expect more of an increase along this line.

Mr. ROONEY. You are speaking of your General Litigation Section?

Mr. DOUGLAS. Yes, sir.

Mr. ROONEY. In that Section you have had a terrific falling off in the number of cases received and the number of cases terminated.

Mr. DOUGLAS. Mr. Chairman, that stemmed from the fact that my predecessor divided the General Litigation Section into two Sections; General Litigation and General Claims.

What I am talking about is confined to the present General Litigation Section. Most of the cases were turned over to the new General Claims Section.

Mr. ROONEY. You mean you have been reorganizing down there, streamlining?

Mr. DOUGLAS. Mr. Chairman, that was done before I came, but I endorse the change. Over half of our cases were in a single section and that was just too much to manage, in my opinion.

As I say, the change was made by my predecessor, but I think it was a wise change. We have not reorganized since I was there.

May I continue, Mr. Chairman?

Mr. ROONEY. Please do.

Mr. DOUGLAS. In addition, Mr. Chairman, we have a $20 million renegotiation case coming on in Los Angeles next summer against Lockheed. It is a trial that will take about 6 weeks with two or three attorneys. That is going to run into heavy travel money.

The General Claims Section is budgeted for an increase of $5,000. We have several large cases which are going to require travel expenditures. The *Hanna* case out in Oregon is one such case.

That is our justification for travel, Mr. Chairman.

Would you like me to continue on page 14–4?

Mr. ROONEY. All right; you may, if you will.

INCREASES FOR OTHER LITIGATION EXPENSES

Mr. DOUGLAS. "Rents, communications, and utilities" are budgeted for an increase of $7,000. That is basically long-distance telephone calls. We think that that is a reasonable item considering the increase in number of cases which we are currently receiving. We are receiving cases at the rate of 10,100 a year in the current fiscal year. This is a substantial increase over our intake in previous years.

"Other services" is budgeted at $5,200. We think that is reasonable in the light of our increased expenses that we anticipate from reporters, consultants, and so forth, which are closely connected with increased litigation.

INCREASE FOR EQUIPMENT

The increase in equipment is put down at $8,000.

Mr. ROONEY. Where do we find the breakdown of that or an explanation of it in the justifications?

Mr. DOUGLAS. Mr. Chairman, 14–26.

Mr. ROONEY. I do not see a single dollar figure on that page.

Mr. DOUGLAS. It is not broken down by dollar amount. I have with me the backup for that figure.

Mr. ROONEY. This says that the additional money requested for equipment will be used to purchase furniture for the west coast office of Admiralty and Shipping Section and Customs Section.

Mr. ANDRETTA. There are two new buildings scheduled for 1965, Mr. Chairman, and we have to buy new furniture.

Mr. ROONEY. Throw out the old furniture?

Mr. ANDRETTA. You know how long that stuff has been hanging around. I think we got it from surplus in the beginning.

Mr. ROONEY. This is on the west coast?

Mr. ANDRETTA. That is the Admiralty Office on the west coast. There is a new building opening up in 1965.

Mr. DOUGLAS. If I might elaborate a minute, Mr. Chairman.

The bookcases in the Customs Section in New York are rapidly becoming a hazard. They have been there, we believe, for 30 years or more. We would like to replace them and we have budgeted those 20 bookcases at $2,100. That is the largest item for our Customs Section.

In San Francisco, there is, as Mr. Andretta indicated, nothing but discards from GSA. When we move to the new building we feel we need to spend about $4,000 for new equipment there.

Mr. ROONEY. Mr. Bow?

FOREIGN COUNSEL FEES, FISCAL YEAR 1963

Mr. BOW. Could you prepare for the record a list of the oversea counsel in the last year, the amounts paid to each and the cases involved?

Mr. DOUGLAS. Yes, sir.

(The requested information follows:)

Country	Payee	Amount of bill	Name of case
Aden	Horrocks, Williams & Beecheno, Crater, Aden.	$165.71	*U.S.* v. *SS "Ines" & SS "Elizabeth."*
	Price Waterhouse Peat & Co., Crater, Aden (estate of Westby Nunn).	47.66	*U.S.* v. *SS "Ines" & SS "Elizabeth."*
Belgium	Fred. Eickhoff, Bruxelles, Belgium.	150.95	*U.S.* v. *Daniel Deltomme.*
Brazil	Agustinho F. Diaz da Silva, Rio de Janeiro, Brazil.	483.33	*U.S.* v. *T. Y. Fong.*
		477.76	*Mario P. Fula* v. *U.S.*
England	Peter Crane, London, England	152.45	*Raphael Garcia* v. *U.S.*
Egypt	Ali A. Hidiah, Port Said, Egypt	156.01	*In re Banque Nationale du Laos.*
France	Francois Mangel, Verdun, France.	2,300.00	*U.S.* v. *SS "Bridgehampton."*
	E. Massin, Paris, France	510.25	*U.S.* v. *Saurat, et al.*
		408.16	*U.S.* v. *Compagnie Immobiliere Marc Painaut.*
	Fernand Jeantet, Paris, France	2,448.98	*U.S.* v. *Compagnie Immobiliere Marc Painaut.*
Germany	Dr. Klaus Zimmermann, Mannheim, Germany.	313.73	*U.S.* v. *Fluor Chemie, et al.*
	Heinz Rowedder, Mannheim, Germany.	628.14	*U.S.* v. *Fluor Chemie, et al.*
	Dr. Josef Frey, Augsburg, Germany.	206.13	*U.S.* v. *Theo Tiefenbacher.*
	Gustav Henze, Dusseldorf, Germany.	150.38	*U.S.* v. *Firma C. J. Jonen.*
	Dr. Christian Hootz, Stuttgart-O, Germany.	266.70	*U.S.* v. *Ernst Rogowski, Inc.*
	Dr. Martin Hirsch, Stuttgart, Germany.	609.80	*U.S.* v. *Ernst Rogowski, Inc.*
Greece	Constantine Lambadarios, Athens, Greece.	848.73	*Fotou* v. *U.S.* (*A.F. Exchange Serv.*). *Andriopoulos* v. *U.S.* (*A.F. Exchange Service*). *Mitrogiannis* v. *U.S.* (*A.F. Exchange Service*). *Vlachopoulos* v. *U.S.* (*A.F. Exchange Service*). *Anastasiadis* v. *U.S.* (*A.F. Exchange Service*).
India	Crawford, Bayley & Co., Bombay, India.	383.85	*U.S.* v. *SS "Easthampton."*
	Kamaraju Krishnamurthy, Hyderabad, India.	210.86	*Samuel* v. *Pagin & Rao* (*U.S.*).
	Little & Co., Bombay, India	1,054.30	*U.S.* v. *SS "Easthampton."*
Italy	Giovanni Gelati, Livorno, Italy	271.36	*IRSA Ltd.* v. *U.S.*
	Roberto Perera, Belluno, Italy	69.54	*Giuseppe Tomasi* v. *U.S.*
	Mario Ardito, Rome, Italy	483.09	*U.S.* v. *Bellotto.*
Japan	Arthur K. Mori, Tokyo, Japan	9,373.55	*U.S.* v. *Meiji Rubber Co.*
		76.14	*U.S.* v. *Rafu Co. Ltd.*
Pakistan	S. S. Shaikh & Co., Karachi, Pakistan.	854.17	*Gammon-Layton Co. Ltd.* v. *U.S.*
Philippines, Republic of the.	Sycip, Salazar & Associates, Manila, Republic of the Philippines.	364.71	*Calma* v. *U.S. Naval Station.* *Reyes* v. *Nolan, et al.* *U.S.* v. *Guersey; U.S.* v. *Weaver.* *Carried Lumber* v. *U.S.* *U.S.* v. *Pablo Valeza.* *U.S.* v. *Benjamin Farin.* *Pomeroy-Hawaiian Dredging Co.* v. *U.S.*
Turkey	Yilmaz Oz, Ankara, Turkey	1,800.00 2,214.18 66.80	*Ozkan* v. *U.S.* (Turkish-United States Logistics Command) and related cases.
	Y. Sacit Gursu, Izmir, Turkey	995.73	*Mekin Goncnz* v. *U.S.* (Turkish-United States Logistics Command) and related cases.
Total		[1] 28,543.15	

[1] The difference between this amount and the amount of $16,010 shown in the green sheets at pp. 14-30 as actual expenditures for 1963, is due to the submission of bills from foreign counsel after the accounts were officially closed. These bills, however, were paid from the 1963 appropriation. There are additional bills chargeable to the 1963 appropriation which have not yet been submitted. They will further increase the $28,543.15 figure.

Mr. Bow. Thank you very much.
That is all, Mr. Chairman.
Mr. ROONEY. Thank you, Mr. Douglas and gentlemen.

MONDAY, JANUARY 27, 1964.

OFFICE OF LEGAL COUNSEL

WITNESSES

NORBERT A. SCHLEI, ASSISTANT ATTORNEY GENERAL
HAROLD F. REIS, FIRST ASSISTANT

Mr. ROONEY. The next of the eight items, gentlemen, under "Salaries and expenses, general legal activities," is that for the Office of Legal Counsel.

The details are to be found under tab 16 of the justifications, part I.

We shall at this point in the record insert pages 16–1 through 16–5 of the justifications.

(The pages follow:)

Office of Legal Counsel

Appropriation, 1964	$542,000
Estimate, 1965	563,000
Increase	21,100

The Assistant Attorney General in charge of the Office of Legal Counsel has the responsibility of preparing the formal opinions of the Attorney General, of rendering informal opinions and legal advice to the various governmental agencies, and of assisting the Attorney General in the performance of his duties as legal adviser to the President and as a member of and legal adviser to the Cabinet. He reviews as to form and legality, and makes necessary revisions of, all proposed Executive orders and proclamations prior to their final submission to the President, as well as regulations which require the approval of the President or the Attorney General; advises the Attorney General in connection with his review of decisions of the Board of Immigration Appeals and of the Office of Alien Property, and performs the legal work involved with respect to gifts and bequests made to the Government; coordinates the work of the Department of Justice in connection with U.S. participation in the United Nations and related international organizations. The responsibility of the Department under section 6(j) of the Universal Military Training and Service Act, to hold hearings and make reports to selective service boards on cases of conscientious objectors, is also a function of this Office. The Office of Legal Counsel also has as a component and under its administrative supervision the Office of Administrative Procedure, established by the Attorney General pursuant to recommendation of the President's Conference on Administrative Procedure for the purpose of achieving improvements in administrative procedures within the executive departments and agencies of the Federal Government.

AMOUNT REQUESTED

It is estimated that the Office of Legal Counsel will require $563,100 to perform its assigned duties and functions in the fiscal year 1965. This exceeds the amount available for 1964 by $21,100. The additional amount is needed to implement statutory provisions concerning the compensation and benefits of employees, as follows:

Cost of statutory provisions:	
1965 costs under 1962 Pay Act (Public Law 87–793):	
Annualization of schedule II increases effective Jan. 5, 1964	$12,800
Step increases due in fiscal year 1965	8,700
Total	21,500
Savings due to 1 less compensable day in 1965	−1,800
Personnel benefits related to above	1,400
Total	21,100

GENERAL STATEMENT

Predictions as to the workload of the Office of Legal Counsel are difficult because of the special nature of most of its work. The most important, difficult, and time consuming of its functions relate to the necessity of assisting the Attorney General in performance of his duties as chief legal adviser to the President and the Cabinet and in providing informal opinions and legal advice to the various Government agencies. The need for such services varies with national and international situations and other unpredictable conditions. Demands upon the Office require the expenditure of many man-hours in consultation with the White House staff, the Bureau of the Budget, and with the various Government departments and agencies. Since it is impracticable to forecast any major changes in the workload, the 1965 budget request merely provides for continuing the Office at its present level.

Workload

	Actual			Estimated	
	1961	1962	1963	1964	1965
Executive orders	150	145	140	125	125
Opinions	124	147	95	100	100
Intradepartmental opinions	345	384	474	350	350
Gifts and bequests	60	64	68	68	68
Special assignments	1,321	1,468	2,065	1,500	1,500
Conscientious objector cases	626	482	419	500	500
Office of Administrative Procedure:					
Interagency studies and opinions	72	3	37	40	40
Agency rulemaking studies	2	0	23	20	20
Special assignments	333	[1] 821	[1] 401	400	400

[1] Includes figures for Administrative Procedure Conference (Office of Administrative Procedure acted as the secretariat) which was provided for through Dec. 31, 1962, by Executive Order 10934, dated Apr. 13, 1961.

Mr. ROONEY. This request is in the amount of $563,100, which would be an increase of $21,100 over the amount appropriated in the current fiscal year.

Are we to understand that the entire $21,100 is for mandatory items? That is, items that are mandatory as a result of statutes?

Mr. SCHLEI. Yes, sir.

Mr. ROONEY. That is shown on page 16–3.

Why can we not cut this half in two?

NATURE OF WORK

Mr. SCHLEI. Mr. Chairman, I think that the work of the Office is very important in the overall scheme of things. We help the Attorney General wear his hat as the legal adviser to the President and the heads of Departments. The whole rest of the legal end of the Justice Department is devoted to helping him wear his hat as the attorney for the Government in various kinds of cases. We are called upon to——

Mr. ROONEY. Is yours a bigger hat or a smaller hat? What color is it, and so on?

Mr. SCHLEI. It requires an awful lot of work on the part of everybody in the Office, Mr. Chairman.

PRESENT STAFF

Mr. ROONEY. How many people do you have in the Office?
Mr. SCHLEI. There are 23 lawyers, and a total——
Mr. BROWN. Twenty clerks.
Mr. ROONEY. How many clerks?
Mr. BROWN. Twenty clerks.
Mr. SCHLEI. Those are secretaries, essentially.
Mr. ROONEY. I have 47 here.
Mr. ANDRETTA. That is the authorized figure.
Mr. ROONEY. You are getting along with how many?
Mr. BROWN. Forty-three at the present time.
Mr. ROONEY. You are asking for a lapse figure of 44.1?
Mr. BROWN. That is the average employment figure, sir.
Mr. ANDRETTA. That is right.
Mr. ROONEY. What State are you from, Mr. Schlei?
Mr. SCHLEI. I am from California, Mr. Chairman; Ohio, I originally came from, Mr. Bow's State, and as an adult, California.
Mr. ROONEY. This may be an area where we can help our President. Why could you not get along with 43 employees?

CURRENT WORKLOAD

Mr. SCHLEI. Mr. Chairman, as it now stands, I think everybody in the Office works a tremendous amount of overtime. We put in weekends and nights. We could use more people than we have except that we follow a rigorous policy of taking only the very best and most competent people. I would guess that this Office, together with the Solicitor General's Office, has the highest quality legal staff of any comparable office in the entire Government.
We have had, as you see, a tremendous number of special assignments from the Attorney General during the past year.
There is no sign that that workload is diminishing.
Mr. ROONEY. According to your figures, it is diminishing at least 25 percent; right?
Mr. SCHLEI. I guess the estimate is below what our actual experience was.
Mr. ROONEY. It is actually 25 percent below, is it not?
Mr. SCHLEI. That is right. That will require a lot of overtime.
Mr. ROONEY. Mr. Bow?

SPECIAL ASSIGNMENTS

Mr. BOW. What comes under the category of special assignments?
Mr. SCHLEI. Well, one special assignment this year, Congressman Bow, was to draft the civil rights legislation which is now pending. It required quite a bit of work.
Mr. BOW. What do you mean "draft it"?
Mr. SCHLEI. Well, the Attorney General asked us to draft civil rights legislation for further consideration by him and by the Presi-

dent and by legislative leaders of both parties, and the drafting task of producing that very large bill was a special assignment of the Office of Legal Counsel during the past year.

Mr. Bow. In other words, somebody told you what they wanted to put in and you put it in in legal form, is that correct?

Mr. SCHLEI. That is a fair description, sir.

Mr. Bow. You did not have anything to do with policy?

Mr. SCHLEI. All the policy decisions were made by the President and the proper people.

Mr. Bow. Yours was the technical job of writing the bill, is that correct?

Mr. SCHLEI. That is right.

Mr. Bow. Is that what you mean by special assignments, where you do special writing?

Mr. SCHLEI. That and perhaps matters requiring advice in the current workings of the White House staff and the various departments of the Government. The Bureau of the Budget may call upon us for an opinion within 2 or 3 days as to something that is coming up. We act sort of as the central house counsel's office for the Government.

CONSCIENTIOUS OBJECTORS

Mr. Bow. I was interested to note that your conscientious objector cases have been going down each year, but you show an increase. What makes you think you will have an increase in conscientious objector cases?

Mr. SCHLEI. The backlog is increasing in those cases. We have had a very difficult time finding hearing officers who, in these cases, serve without pay. We persuade lawyers throughout the country to serve as volunteers as hearing examiners in these cases. We have had difficulty getting them.

Mr. Bow. How many conscientious objector cases are pending at this time?

Mr. SCHLEI. I do not have that figure. Do you Mr. Reis?

Mr. REIS. I do not have those figures. We have four people working on conscientious objector cases, two secretaries and two lawyers, and one of the secretaries got sick for three months. That is one of the reasons we got behind.

Mr. Bow. Will you insert in the record at this point the number of conscientious objector cases you have pending?

Mr. SCHLEI. Yes.

(The information requested follows:)

Conscientious objector cases pending as of Jan. 24, 1964

Field	473
Office	71
Total	544

Mr. Bow. That is all.

Mr. ROONEY. Thank you, Mr. Schlei and Mr. Reis.

Mr. SCHLEI. Thank you, Mr. Chairman.

MONDAY, JANUARY 27, 1964.

INTERNAL SECURITY DIVISION

WITNESSES

J. W. YEAGLEY, ASSISTANT ATTORNEY GENERAL
JOHN F. DOHERTY, FIRST ASSISTANT
ROBERT STUBBS, ADMINISTRATIVE ASSISTANT

Mr. ROONEY. The next item, gentlemen, and the last that we shall consider today, is the seventh item under "Salaries and expenses, general legal activities," entitled "Internal Security Division." The details are to be found under tab 17 of the justification book.

We shall insert pages 17–1 through next to the last paragraph on page 17–5 at this point in the record.

(The pages follow:)

Internal Security Division

Appropriation, 1964	$1,129,000
Estimate, 1965	1,167,000
Increase	38,900

The Internal Security Division, headed by an Assistant Attorney General, is responsible for the enforcement and administration of all laws relating to the internal security of the Nation. It supervises and assists U.S. attorneys in the enforcement of those statutes which relate to subversive activities. Included are the laws relating to treason, espionage, sabotage, neutrality, sedition, Federal employee security, atomic energy, port security, and the registration of foreign agents and the registration of Communist organizations and individuals pursuant to the Internal Security Act of 1950. Thousands of investigative reports relating to subversive activities are furnished to the Division each year. All such reports are studied for intelligence purposes and to determine whether prosecution can be undertaken.

The Assistant Attorney General in charge of the Division directs all departmental liaison activities in the field of internal security, and all departmental defense mobilization planning, including such matters as civil defense, alien enemy control and emergency relocation for the seat of Government and the field. The Division assists department and agency heads in the operation and coordination of their personnel security programs.

The Division is responsible also for all civil cases relating to internal security matters, enforcement of the Internal Security Act of 1950, as amended, the Communist Control Act of 1954, the Foreign Agents Registration Act of 1938, as amended, and Public Law 893, 84th Congress, requiring the registration of persons trained or assigned in the espionage service of a foreign country. Additional responsibilities include the preparation of briefs and the conduct of arguments in the circuit courts of appeals and assisting the Solicitor General concerning internal security cases in the Supreme Court. The Division is also responsible for the operation of the Department Security Office.

AMOUNT REQUESTED

It is estimated that this Division will need an appropriation of $1,167,900 for the fiscal year 1965. The increase of $38,900 over 1964 is to cover that part of the cost of complying with statutory provisions regulating the compensation and benefits of employees which cannot be absorbed. The increases are as follows:

Costs due to statutory provisions:

1965 costs under 1962 Pay Act (Public Law 87–793):	
Annualization of schedule II increases effective Jan. 5, 1964	$23,200
Step increases due in 1965	16,800
Savings due to 1 less compensable day in 1965	−3,700
Personnel benefits related to above	2,600
Total	38,900

GENERAL STATEMENT

The Division consists of Criminal, Civil, Registration, Appeals and Research, and Administrative Sections, and the Department Security Office. For administrative convenience within the Division, work relating to mobilization planning, advisory functions assigned to the Attorney General under Executive Order 10450, and liaison with other departments and agencies in security matters, has been grouped under the heading of "Policy Planning and Liaison."

Breakdown of positions by sections

	Professional	Nonprofessional
Assistant Attorney General	4	5
Criminal Section	15	6
Civil Section	21	8
Registration Section	8	9
Appeals and Research Section	8	5
Administrative Section	1	15
Department Security Office	3	4
Policy and Planning and Liaison	1	6
Total	61	[1] 58

[1] Includes 3 employees reimbursed by other agencies.

NEW MATTERS

The International Security Division is responsible for the evaluation and analysis of the reports, prepared by the Federal Bureau of Investigation and other investigative agencies, relating to the internal security of the country. The intelligence contained in these reports must be carefully considered to determine what action should be taken on the basis thereof, such as instituting prosecutions or quasi-judicial hearings, requesting further investigation, recommended changes in statutes, executive orders, administrative rules and regulations, or policies regarding the application thereof, and evaluating the information as the basis for future action in the event of an emergency. At the time the reports on new subject matters are received in the Division and in the sections, it is not possible to know which of them will result in litigation and thus become "cases." Consequently, they are grouped herein under the heading of "New Matters." During fiscal year 1963, 6,624 new matters were received in the Division, exclusive of personnel matters within the purview of the Department Security Office and Policy Planning and Liaison matters. The sections which received the 6,624 new matters received 96,952 reports, memorandums, and documents from the FBI and other sources as compared with 107,932 in fiscal 1962, and 92,720 in fiscal 1961. In the evaluation of such reports for intelligence and prosecutive purposes, it is frequently necessary for the attorneys to refer to numerous and lengthy reports received on the same or similar subjects during previous years.

Mr. ROONEY. The requested amount is $1,167,900, which would be an increase of $38,900 over the amount appropriated for the Internal Security Division in the current fiscal year.

Page 17–3 indicates the requested increases. Are we correct in assuming that the entire $38,900 increase is as the result of mandatory provisions of law?

Mr. YEAGLEY. Yes, sir; Mr. Chairman.

PAST YEAR ACHIEVEMENTS

Mr. ROONEY. Mr. Yeagley, could you tell us the most outstanding achievement during the past year in this area?

By the way, what happened to the Judy Coplon case? You would be disappointed if I did not ask you about that, would you not? For how many years have I asked you this.

Mr. YEAGLEY. I have no answer other than what I gave you last year. It is in the same status.

COMMUNIST PARTY CASE

The outstanding achievement, I suppose, during the past year is the filing of petitions against members of the Communist Party. I think we had 20 hearings last year; 37 petitions have been filed in all. This is a new activity in the last couple of years. It has gained a lot of publicity and attention. We tend to overlook that a little bit.

Mr. ROONEY. Was there not a recent decision that concerned the work of your Division?

Mr. YEAGLEY. There certainly was.

Mr. ROONEY. Do you not want to talk about it?

Mr. YEAGLEY. I would like to.

In December 1961 the Communist Party was indicted by a grand jury in the District of Columbia on 12 counts for its failure to register. It was found guilty on each of the 12 counts and sentenced to pay a fine of $120,000 up to that time and being a recurring offense they could have been reindicted. The case was argued in the Court of Appeals for the District of Columbia and that court held last month, as we understand, that the individual officers of the party who normally would have to register the party were entitled to the court's protection under the fifth amendment against self-incrimination, although they would be acting in their representative capacity.

As far as we know, this is the first time the officers of a group have been permitted to exercise the fifth amendment privilege when acting in their representative capacity. Corporate officials cannot do so when producing records, even though corporate records would incriminate them or would make them members of a conspiracy.

The court further held, however, that the Government should have an opportunity, at retrial, to show that there is some other person available who is willing to register the party since the law permits them to be registered by not only officers but by an agent or attorney.

We have filed a petition for rehearing by the whole court of appeals of nine judges. I do not know what they will do about that. We think we filed a reasonably good argument. At least, it has been well received by a good many lawyers.

It so happens the counsel on the other side have also asked for a rehearing, but not en banc.

I should point out this decision affects our enforcement of the fine provisions against the party for failure to register. It does not change the finding of the Subversive Activities Control Board that the Communist Party is a "Communist-Action Organization" within the meaning of the Internal Security Act of 1950 and under the terms

of that law is required to register. That finding and order was affirmed by the Supreme Court in 1961 and it still stands. So we will have an awfully hard time enforcing the penalty provisions against the party. We still have to fight that out.

Mr. ROONEY. So where are you going from here?

Mr. YEAGLEY. We filed a petition for rehearing en banc. If that is granted we will have a reargument. If it is not granted we have an opportunity to seek certiorari to the Supreme Court or have a retrial as the Court suggested.

Mr. ROONEY. Is that a prepared statement you have there?

Mr. YEAGLEY. Yes; I had not intended reading it. It is a condensation of what is in the justifications. I thought I might put it in the record if you like.

Mr. ROONEY. Let us look at it. Your statement should be sent up the day before, should it not?

Mr. YEAGLEY. I am sorry, I did not realize that. It is of no great importance.

NUMBER OF COURT CASES

Mr. ROONEY. How many cases did you have in court during fiscal 1963?

Mr. YEAGLEY. Roughly it would be 35, most of them being civil cases or civil proceedings. We had the 20 membership cases that were full-scale trials.

Mr. ROONEY. Those 20 would be really 1, would they not?

Mr. YEAGLEY. No; the trials were held in different parts of the country and involved different individuals. Each was a separate one and involved a very complicated question in each case.

Mr. ROONEY. How many criminal cases?

Mr. YEAGLEY. About six criminal cases were actually in court last year.

Mr. ROONEY. You have 61 lawyers and 55 nonprofessional people?

Mr. YEAGLEY. We have that many positions. We are not quite fully staffed.

I think we had more man-hours in court and more cases last year than we probably ever had.

GENERAL STATEMENT

Mr. ROONEY. Unless there is objection, I shall insert this statement of Mr. Yeagley's at this point in the record.

Mr. YEAGLEY. Thank you.

(The statement follows:)

STATEMENT OF ASSISTANT ATTORNEY GENERAL J. WALTER YEAGLEY

We are not seeking any increase in our budget for fiscal year 1965 except $38,900, which is necessary to cover additional pay act costs (phase II of the pay act effective January 5, 1964), within-grade promotions, and personnel benefits. This makes a total request of $1,167,900. Neither is any change asked in the 116 positions now authorized, consisting of 61 lawyers and 55 nonprofessionals.

During the past year our efforts were directed primarily toward enforcing the provisions of the Internal Security Act of 1950. You will recall that the Communist Party was indicated on December 1, 1961, by a grand jury in the District of Columbia on 12 counts for its failure to register. It was found guilty

on each of the 12 counts and sentenced to pay a fine of $120,000. Oral arguments on appeal were heard by the Court of Appeals for the District of Columbia on June 25, 1963. On December 17, 1963, the court reversed the conviction and remanded the case to the district court for a new trial on the grounds that the privilege against self-incrimination was available to officers as legal justification for refusing to sign the registration forms and that the Government had failed to show that a volunteer was available to register the party. On January 21, 1964, we filed a petition with the court of appeals to permit a rehearing before the court en banc to review its judgment.

The court of appeals decision only reverses the criminal conviction of the party and is not a reversal of the finding and order of the Subversive Activities Control Board that the Communist Party is a Communist-action organization within the meaning of the Internal Security Act of 1950 and therefore required to register in accordance with the terms of that act. That basic order was the one affirmed by the Supreme Court in June 1961 and it still stands.

In reference to our other enforcement activity under that act, the District Court of the District of Columbia on September 25, 1963, consolidated the cases against Gus Hall and Ben Davis for trial purposes but postponed the trial date to await the decision of the court of appeals in the Communist Party case. In reference to proceedings against individual party members we had filed 14 petitions against members of the national committee as of the date I last appeared before this committee. Since that time 23 additional petitions have been filed against leading Communists across the country, almost all of whom were members of the national committee. Hearings on these petitions were held in New York City, Washington, D.C., Boston, San Francisco, Seattle, Chicago, Philadelphia, and Baltimore. Hearings have been completed in 25 cases. Final orders of the Board as to the individuals' membership and requirement to register have issued in 20 cases and recommended decisions have issued in 5 cases.

The program of undertaking these petitions has been a continuing one. A number of cases are currently under study and evaluation in preparation for filing during the balance of fiscal 1964 and fiscal 1965. Although a rehearing in the *Communist Party* case could conceivably affect these cases, we feel that the membership cases stand on a different footing as to the problem of self-incrimination since the order to register does not issue until after proof of membership has been produced and the Board has made a finding that the person is in fact a member of the Communist Party. The signing of a registration form thereafter would add no link in the chain of incrimination, particularly in view of the immunity provided by section 4(f) of the act.

The appeals of 11 Communist-front organizations which previously had been ordered by the Board to register and which appeals were held in abeyance by the court of appeals pending the decision of the Supreme Court in the *Communist Party* case have been resolved. Two front organizations, Connecticut Volunteers for Civil Rights and the California Emergency Defense Committee, failed to effect appeals, and the Board's orders against them became final.

The court of appeals remanded six cases to the Board to adduce further evidence on whether the organizations were in existence. After hearings, the Board reaffirmed its original orders in each of these cases upon findings that the organizations had failed to prove they had gone out of existence.

On April 25, 1963, the court decided that the Board's order in the *Labor Youth League* case should neither be finalized nor vacated. If the organization should reactivate the Board may reopen the record and finalize its order against the then active and live organization. On June 6, 1963, the court of appeals issued similar orders against the American Peace Crusade and the Colorado Committee To Protect Civil Liberties.

In the *Washington Pension Union* case, the court held this corporation had legally dissolved and dismissed the organization's appeal. On July 3, 1963, the court entered an order dismissing the appeal of the Civil Rights Congress for failure to prosecute its appeal, and on August 9, 1963, a similar order dismissing the appeal of the California Labor School was entered.

In the case of the National Council of American Soviet Friendship, the court of appeals, on May 16, 1963, set aside the Board's order requiring this organization to register as a Communist-front organization on the grounds that the record in the case failed to establish by a preponderance of the evidence that the organization was at the time of the hearing before the Board substantially directed, dominated, and controlled by a Communist-action organization; a Communist foreign government, or the world Communist movement. It held that participa-

tion of Communist Party members in the direction, domination, and control of the organization was not sufficient to meet this requirement in the absence of evidence that they also were active in the management of the Communist Party or acting as representatives of the Communist Party.

On December 17, 1963, the court of appeals affirmed the order of the Board requiring the Jefferson School of Social Science, American Committee for Protection of Foreign Born, Veterans of the Abraham Lincoln Brigade, and United May Day Committee, to register as Communist-front organizations.

On January 10, 1963, the Attorney General filed a petition with the Board against "Advance, an Organization of Progressive Youth," of New York City, alleging such organization is substantially directed, dominated, and controlled by the Communist Party and is operated primarily for the purpose of giving aid and support to the Communist Party, and as such is required to register as a Communist-front organization. The hearing on this petition commenced in New York City on September 30, 1963, and was completed on January 13, 1964. A decision is being awaited.

Since November 1962 there have been five separate suits filed involving section 6 of the act proscribing the use of passports by Communists. It is expected that actions seeking relief for the issuance, revocation, or validation of passports will continue in fiscal 1964 and 1965. The case of Elizabeth G. Flynn, national chairman of the Communist Party, and a similar suit brought by Herbert Aptheker, editor of Political Affairs, the theoretical organ of the Communist Party, USA, were consolidated and heard before a three-judge court to test the constitutionality of section 6 of the Internal Security Act. The Government's motion to dismiss the complaints was granted. The plaintiffs were seeking relief from revocation of their passports by the Secretary of State on the grounds he had reason to believe they were members of the Communist Party. It is anticipated that full appellate review will be sought by the plaintiffs. Since the party has renewed its efforts for more participation by the members in international groups and organizations, it is anticipated that there may well be an influx of cases in this area.

There are four cases in various stages of litigation which will test the constitutionality of the Communist propaganda control program. These cases resulted from actions brought against the postmasters of Philadelphia, New York, Los Angeles, and San Francisco, and there are two cases testing section 5 regarding the employment of Communists in defense facilities.

Highlighting the continuing espionage efforts of Soviet diplomatic and U.N. personnel assigned in the United States was the conviction during 1963 of U.S. Navy Yeoman Nelson Cornelius Drummond as a Soviet spy. Drummond was arrested in September 1962 in the act of turning over a number of classified Navy documents to two members of the Soviet mission to the United Nations. On July 19, 1963, Drummond was convicted by a petit jury of conspiracy to commit espionage and sentenced to life imprisonment on August 15, 1963. His appeal is pending. In the indictment, of the four nationals named as coconspirators, two departed the United States before Drummond was arrested and the remaining two were expelled from this country shortly thereafter.

Soviet espionage activity in the United States during 1963 also culminated in the arrest on July 2 of Ivan Egorov, a Soviet national in the U.N. Secretariat, his wife, Aleksandra Egorov, and Robert and Joy Baltch, for conspiring to transmit national defense information to the Soviet Union. The indictment against the Egorovs was dismissed on October 11, 1963, after an agreement was reached with the Soviet Union for the return of two American citizens, Rev. Walter M. Ciszek and Marvin W. Makinen, in exchange for the Egorovs. On December 17, 1963, a superseding indictment was returned against the Baltches. The new indictment named the Egorovs as coconspirators but not as defendants. In addition, the new indictment charges Robert Baltch under his true name, Alexandre Sokolov, which was not previously known. The Baltches are currently being held without bail awaiting trial. The trial date of this new indictment is expected to take place in the early part of 1964.

Another espionage prosecution involving the Soviets is the case of John William Butenko and Igor Ivanov who were indicted on November 7, 1963, for conspiring to transmit national defense documents to the Soviet Union and with conspiring to have Butenko act as an agent of the Soviet Union without notification to the Secretary of State. Butenko was also charged separately with acting as an agent without notification. Butenko, an American citizen, was an electrical engineer employed by International Electric Corp., in Paramus,

N.J. Ivanov, who is a Soviet national, was employed by the Amtorg Trading Co., a Soviet firm located in New York City. Yuriy Romashin, third secretary of the Soviet mission to the United Nations, Gleb, Pavlov, a Soviet attaché, and Vladimir Olenev, a staff member of the Soviet mission to the U.N., were also charged with having conspired with Butenko and Ivanov. The three Soviet mission members possessed diplomatic immunity and could not be prosecuted.

However, they were expelled from the United States on November 1, 1963. A trial date has been set for May 1, 1964. Meanwhile, Butenko, who is currently being held without bail, is undergoing psychiatric treatment to determine his mental competence. Ivanov is currently at liberty on bail in the sum of $100,000 which was furnished by the Soviet Embassy. Admission to bail was granted by the court of appeals upon the assurance of the Soviet Embassy that Ivanov would be made available for our judicial processes.

There have also been indictments of persons for having traveled to proscribed areas without a passport properly validated by the Secretary of State. In June, Helen Travis was indicted by a grand jury in Los Angeles on 2 counts for having traveled on 2 occasions to Cuba without a properly validated passport and in October 4 persons were indicted on a conspiracy charge for having conspired to arrange the travel of 50-some students to Cuba and return in violation of the State Department's travel regulations and title 50, section 1185. A large number of possible similar violations are currently under review.

There was increased activity in the Registration Section during the past year due in large measure to the investigation and hearings conducted by the Senate Foreign Relations Committee. As a result of the suggestions made by the committee in the administration of the Foreign Agents Registration Act, we have introduced tightened screening controls which will require a substantial increase in man-hours to handle this work. The committee's hearings also resulted in increased and more detailed filings and amendments by the registrants.

Soviet-bloc officials and Communist agents in this country continue to pose an active and serious threat to our national security as demonstrated in the recent Butenko and Ivanov espionage case and in the Communist Party's increased activity among American youth. We believe that the work of the Division will continue in fiscal 1965 much as it has in the last 2 years. These matters are, of course, covered in our justification and I will try to answer such questions as the committee may have.

Mr. YEAGLEY. Some of the cases are time consuming. This hearing on the petition filed with the Board against Advance, an Organization of Progressive Youth, of New York, has been going on since September, and the case in Denver went on for weeks, which is the usual style, I guess, as you well know.

TRAVEL DEFICIT

Mr. ROONEY. Have you been cooperating with Mr. Andretta on the travel economy program?

Mr. YEAGLEY. We have cooperated with him, but I regret to say our results have been a deficit because of the membership petitions, which require us to go out in the field.

Mr. ROONEY. All first-class travel, pullman?

Mr. YEAGLEY. No, sir; second-class plane. We have not had any train travel, I do not think. We may have had some exceptions. We have had some first-class travel, I am sure. I would not say all for anything. I am sure there would be exceptions.

Mr. ROONEY. Mr. Andretta, do you have statistics on this? How do his statistics show up?

Mr. ANDRETTA. You mean his work statistics?

Mr. ROONEY. His economy statistics.

Mr. ANDRETTA. Well, he has to run a pretty tight operation because he has been cut down pretty much. He cannot help some of these

things he has to do. I must say the Internal Security Division is pretty modest about getting around, about traveling. They only go when they have to.

Mr. YEAGLEY. This is the first time we have come up with a negative balance.

Mr. ANDRETTA. They only spent for travel last year $23,000, and that is not too bad compared to some of the others.

Mr. ROONEY. For 59 lawyers that is pretty good, is it not?

Mr. ANDRETTA. Well——

Mr. YEAGLEY. I know our men have been out a great deal more this year in order to interview the informants and decide whether or not they should be uncovered.

Mr. ROONEY. Does the statement we have already placed in the record indicate what you have been doing in the past year?

Mr. YEAGLEY. Yes. It indicates a good deal about what we have been doing. I do not know if it would cover all your questions. I hope it does.

Mr. BOW. It does a pretty good job. It details the cases.

Mr. ROONEY. Thank you very much, Mr. Yeagley, and gentlemen.

TUESDAY, JANUARY 28, 1964.

CIVIL RIGHTS DIVISION

WITNESSES

BURKE MARSHALL, ASSISTANT ATTORNEY GENERAL
W. J. HOLLORAN, EXECUTIVE ASSISTANT
JOHN DOAR, FIRST ASSISTANT

Mr. ROONEY. The committee will please now come to order.

This morning we shall consider the subitem entitled Civil Rights Division, which is the eighth and last of the subitems under "Salaries and expenses, general legal activities, Department of Justice."

The details are to be found under tab 18 of the justification book.

We shall at this point in the record insert pages 18–1 through 18–26 of these justifications.

(The pages follow:)

Civil Rights Division

Appropriation, 1964	$1,087,600
Less transfer to GSA for rent	—19,000
Appropriation, 1964 (adjusted)	1,059,600
Estimate, 1965	1,255,100
Increase	195,500

Under the general direction and supervision of the Attorney General, the Assistant Attorney General in charge of the Civil Rights Division is responsible for the enforcement of all Federal statutes relating to civil rights. This jurisdiction and responsibility includes the Civil Rights Acts of 1957 and 1960, the so-called civil rights statutes (18 U.S.C. 241–244), as well as statutes relating to extortion and threats, fugitive felons, obstruction of justice, peonage and slavery, and those applicable to election frauds and interference with the right to vote, including the Hatch and Corrupt Practices Acts.

The Division also has responsibility for all legal and administrative questions and problems arising from the time of the arrest of a Federal prisoner until his final discharge from custody, including the application and construction of the Probation Act, the parole statutes, the Juvenile Delinquency Act and the sentencing provisions of the Youth Corrections Act.

AMOUNT REQUESTED

It is estimated that the Civil Rights Division will need $1,255,100 to meet its responsibilities during fiscal year 1965. This represents an increase of $195,500 over the current amount available of $1,059,600. The increased amount, required to meet rising costs of operation, to continue the authorized staff throughout 1965, and to comply with statutory provisions regulating employee compensation and benefits, is itemized as follows:

Cost of statutory provisions:	
1965 costs of 1962 Pay Act (Public Law 87-793):	
Annualization of schedule II increases effective Jan. 5, 1964	$19,700
Step increases due in 1965	17,700
Savings due to 1 less compensable day in 1965	−3,300
Personnel benefits related to above	2,100
Total	36,200
Additional amount necessary to carry new staff authorized for 1964 on part-year basis:	
House allowed 19 positions at annual cost of	168,000
Less nonrecurring costs	28,700
Minus transfer to GSA deducted above from 1964 availability	−19,000
Subtotal	−9,700
Recurring annual cost	158,300
Conference allowed 8 positions at annual cost as follows:	
Salaries	61,900
Benefits re above	4,700
Travel	11,200
Communications	3,200
Printing	1,700
Contractual services	6,000
Supplies	300
Subtotal	89,000
Total annual cost of new staff authorized for 1964 (27)	247,300
Funds provided for new staff in 1964	−168,000
Annualization necessary in 1965	79,300
Increased cost of other services and supplies:	
Travel	50,000
Printing	20,000
Supplies (abstract forms, docket cards, binders, etc.)	10,000
Subtotal	80,000
Total increase	195,500

The Civil Right Division, in compliance with Department policy, is not requesting personnel in additional to its presently authorized staff of 108 for fiscal year 1965. Eight of these positions authorized in 1964 were financed for only part of the year, and $79,300 are needed to annualize them for fiscal 1965. It must be pointed out that this request does not take into account the civil rights legislation pending before the Congress. Its enactment would necessarily have a major impact upon the activities and workload of the Division, requiring the

submission of a request for additional funds and personnel at an appropriate time.

GENERAL STATEMENT

The Division workload continues to increase in all assigned activities in the elimination of racial discrimination in voting, schools, transportation, and related areas, as well as with complaints on police and prison brutality and other deprivations of federally guaranteed rights. Additional responsibilities of great importance continue to be placed on Division attorneys who have served in one or more capacities as appellate and trial counsel, mediators, observers, and the like, in such critical situations as those which have occurred in Oxford, Miss.; Birmingham, Ala.; the University of Alabama; Danville, Va.; Cambridge, Md.; and elsewhere as the need arises. For example, the Division is keeping close and continuing watch on civil rights demonstrations, which totaled 1,340 during the 3-month period beginning May 20, 1963. The great majority of these demonstrations are peaceful, but where Federal action is required, staff members are called upon to carry out assignments, often of an emergency nature.

Correspondence received and processed by the Division continues to increase, imposing additional work on all staff members, and particularly on the personnel of the Administrative Section who receive and process correspondence and compile and maintain statistical information necessary for general administrative and budget purposes. The extraordinary public interest in civil rights is reflected in the 54,330 communications received and processed by this Division in fiscal 1963, as compared to 32,297 pieces of mail the preceding year. In fiscal year 1960, total incoming mail amounted to 13,398. The incoming correspondence included 3,911 complaints, or 768 more than received in the previous fiscal year and 1,252 above the number received in fiscal 1961.

The intensified activity is further evidenced by the 5,069 hours of paid overtime reported for the clerical staff during the fiscal year. This is more than double the 2,448 hours of paid overtime worked in fiscal 1962. Unpaid hours worked by the professional staff were estimated at more than 40,000 during the year, both in Washington and in the field. Division personnel were in travel status for a total of 2,477 days as against 1,466 in fiscal 1962.

An additional sum of $50,000 is required to meet travel needs in 1965. Increased costs of other supplies and services arising from the accelerated activities of the Division necessitate a request for $30,000 additional funds.

Set out below are the more significant activities of the Division in the past fiscal year.

Enforcement of the Civil Rights Acts of 1957 and 1960

The Division's principal activity continues to be the enforcement of these acts pursuant to the stepped-up enforcement plans approved by the Attorney General. Briefly, the 1957 act authorizes the Attorney General to institute civil suits in Federal district courts to prevent and redress racial and other arbitrary interferences (including intimidation threats and coercion) with the right to vote (42 U.S.C. 1971, et seq.). Under the 1960 amendment to the act, Federal district courts are authorized to appoint voting referees after finding a pattern or practice of discrimination (42 U.S.C. 1971(e)); and a State may be joined as a party defendant in a proceeding involving voting discrimination (42 U.S.C. 1971(c)). Title III of the 1960 act requires that all records and papers relating to registration, the payment of poll taxes, or other acts requisite to voting in Federal elections be retained and preserved for 22 months and that they be made available to the Attorney General for inspection and copying (42 U.S.C. 1974, et seq.)

In some 200 counties in a small number of States, the right to vote is denied to thousands of Negroes in two ways: discrimination by registrars in the application of qualifications tests (42 U.S.C. 1971(a)), and intimidation on the part of private individuals and some officeholders (42 U.S.C. 1971(b)).

To prove and prevent these violations of law, the Department conducts investigations where there are indications that the right of Negroes to vote is being interfered with by discrimination or intimidation. These investigations involve a thorough analysis of the registration and voting records of the counties involved and extensive interviews with persons in the county. If it is concluded that discrimination or intimidation has occurred, the Department makes every effort to correct the illegal practices by bringing them to the attention of State and local officials and by exploring, in advance of litigation, all possi-

bilities of self-correction. This policy of the Attorney General has been followed in all instances. Where negotiation is unavailing, a suit is filed under section 1971.

During fiscal year 1963, the Division filed 12 cases under section 1971. At the close of the year, 41 cases had been filed,[1] as compared with a total of only 12 cases filed during the period from September 1958 to June 30, 1961. Trials on the merits were held in 12 cases, and the Division has thus far succeeded in obtaining an end to official discriminatory practices in 18 cases.

Among the cases awaiting decision at the close of the fiscal year, *United States* v. *State of Louisiana* was of major significance. This suit, filed in December 1961, attacks the validity of the provisions of Louisiana law that require applicants for voter registration to interpret constitutional provisions to the satisfaction of the registrar. The case was tried before a three-judge court on March 4, 1963. On motion of the Government the record was reopened for submission of additional evidence in April 1963 because it was found that in at least one parish the interpretation test was being used even though the State had represented that its use had been abandoned. The evidence in this case was submitted entirely on depositions, stipulations, and documents which took nearly a year to prepare.[2]

A similar case, filed in August 1962, is pending against the State of Mississippi, together with the registrars of six counties and the State board of election commissioners. This case challenges the constitutionality of two amendments to the Mississippi constitution and five statutes dealing with registration requirements and procedures. The Government has asked the court to make a statewide finding of a pattern and practice of discrimination because of the total effect of all the statutes. No hearing date has been set and the Division attorneys have been occupied in the considerable task of assembling the voluminous proof required to establish its case. At the end of the fiscal year, the Division completed and submitted some 1,200 pages of detailed answers to interrogatories proposed by the defendants. (*United States* v. *State of Mississippi.*)

At the end of the fiscal year, active investigations of section 1971(a) violations were being conducted in 48 counties and 1971(b) violations in 9 counties. Negotiations are being conducted in a number of counties which are expected to result in voluntary action by registrars in ceasing discriminatory practices, thus obviating the necessity of court action.

It must be emphasized that when the relief sought by the Government is granted, a section 1971 case cannot in the usual sense be deemed closed, since the Department is under the obligation to continue supervision and where necessary institute enforcement proceedings to make the granted relief effective. The registration records of the county involved are thereafter examined and photographed periodically to determine whether the registrars are applying the same standards to Negroes and whites and are otherwise complying with the court order. The Division record program is discussed below. Thus only two of these cases can be deemed closed with any finality. One involved a "white primary" in Fayette County, Tenn., which was abandoned in 1960 by a consent decree (*United States* v. *Fayette Democratic Executive Committee*).

The second involved the elimination of racial distinctions in the voting process in Jones County, Ga. Assurances were obtained from many officials in Georgia that racial distinctions in the voting process would be eliminated, but in one instance it was necessary to institute litigation. When certain local officials in Jones County, Ga., indicated that they would not comply with the law as previously laid down in *Anderson* v. *Courson*, 203 F. Supp. 806 (M.D. Ga., 1962), and *United States* v. *Bibb County Democratic Executive Committee* (M.D. Ga., 1962), the Department, on June 18, 1963, filed suit under 42 U.S.C. 1971. The complaint sought to enjoin maintenance of separate polling places for white persons and Negroes; tabulation of election returns on a racially designated basis; compilation of the qualified voters' list by use of separate racial designation; and similar practices. Shortly after the suit was filed, the defendant election and county officials agreed by stipulation that after the special election, which was about to be held, all racial voting distinctions in Jones County would

[1] As of Dec. 20, 1963, 14 cases have been filed since the close of the fiscal year. Total cases filed now number 55.

[2] On Nov. 27, 1963, the 3-judge court sustained the Government's position in declaring the Louisiana test invalid and enjoining its use in the 23 parishes where it has been used to discriminate against Negro applicants.

be eliminated, and the court entered its decree accordingly. (*United States* v. *Jones County Democratic Executive Committee* (M.D. Ga.).)

Demands, both formal and informal, for inspection and copying of records under title III of the 1960 act have now been made in 100 counties. Thirty-eight court actions for voting records under title III have been brought to enforce these demands; 10 were pending as of June 30, 1963, and the other 28 have been brought to a successful conclusion. In three cases brought under title III of the 1960 act which were taken to the Supreme Court, the Government's position was sustained. Certiorari was denied in each instance. *Coleman* v. *Kennedy*, 373 U.S. 950 (Lauderdale County, Miss.); *Campbell* v. *Kennedy*, 373 U.S. 950 (Madison County, Miss.); *Ashford* v. *Kennedy*, 373 U.S. 950 (Hinds County, Miss.).

In addition, the Division has experienced increased activity in appeals taken from district court rulings in the section 1971 cases. Among the highlights is *Alabama* v. *United States*, 371 U.S. 37 in which the Supreme Court affirmed the decision of the court of appeals upholding the power of a district court to affirmatively order a registrar to place on the rolls certain Negroes found to have been discriminated against in the registration process. *United States* v. *Dogan and Harris*, 314 F. 2d 767, attacked procedures whereby the sheriff of Tallahatchie County, Miss., required Negro applicants to pay their poll taxes to him personally, and refusal by the registrar to afford equal opportunity to register to vote. The Government appealed from the lower court's denial of a preliminary injunction. The case was reversed and remanded and the preliminary injunction issued. Further district court action is pending.

In *United States* v. *Lynd*, the court of appeals, in April 1962, issued an injunction, pending appeal, against the registrar of Forrest County, Miss. Lynd attempted to appeal from the injunction pending appeal, and certiorari was denied (371 U.S. 952). The case involves extremely discriminatory treatment of Negro applicants, including denial of registration to clearly qualified college graduates and educated Negroes. Two years after the case was filed, the court upheld the Government's position in its decision early in July 1963. In other proceedings, Lynd was convicted of civil contempt. Criminal contempt proceedings are pending.

Voting records program

The records obtained pursuant to the authority granted in the 1960 act constitute the basic evidence of the voting registration discrimination cases. The program is discussed in some detail since it is one of the major efforts of the Division not reflected in the workload tables. As many as half the legal staff are involved in analyzing and processing records to some degree, while a minimum of 14 clerical assistants devote full time to this activity. In at least 193 counties, less than 15 percent of the eligible Negroes are registered to vote. In 13 southern counties, not a single Negro has been permitted to register. In such counties too many instances of discrimination exist to be presented to the court by live testimony and resort must be had to available documentary proof. Thorough analysis of the records before the trial of the case can be made to tell the county's voting story. Analysis of the forms of thousands of persons, accepted and rejected, continues to be a formidable but necessary activity.

The operating procedure is as follows: Where a demand has been served upon a votirg registrar to produce records for inspection and copying and the official has complied, either voluntarily or after court action instituted by this Division, the FBI photographs the records and furnishes them to this Division on mircofilm reels. A staff attorney then surveys all the records in light of the information known about that county, and develops a system of processing the records which will extract and organize the essential information in a manner which will show concisely what the records contain. A staff of trained typists then types onto six-ply control cards the essential information set out on each application form. The attorney in charge then analyzes the records to establish the standards which have been applied to applicants and to obtain names of potential witnesses. This analysis is placed on the control cards which, like the records themselves, are then organized for effective use at the trial. These materials are also the basis for trial exhibits which are intended to depict graphically the dis criminatory practices.

The magnitude of the work involved is best evidenced by the Division's work on Mississippi records. Some 20,000 control cards for 26 Mississippi counties had been finally typed and analyzed at the close of the fiscal year. In addition,

some 20,000 control cards have been keyed to Mississippi registration books. Control cards have been typed, but not yet analyzed, for 6 other counties, including the 14,000 cards relating to Hinds County. In 11 cases presently in litigation, records not yet available are expected to be obtained in the near future and may number as many as 10,000 forms.

Obtaining statistics from registration books and poll books is an additional factor in the heavy workload. This requires counting and tabulating large numbers of names in several categories for accurate accounting. This process has been completed in some 41 counties.

Further difficulties are found in race identification in over half the Mississippi counties. Establishing race involves checking all documents which indicate race, such as poll tax receipts, against registration books. Unidentified persons are listed and the FBI is requested to investigate further. Finally, after the analysis or race identification is complete, the exhibits must be prepared for presentation to the court. This involves putting all the application forms in chronological order with cross indexing. Thus far, the Division has prepared records for presentation in evidence in seven voting cases in Mississippi. The records which are to be used in *United States* v. *State of Mississippi* will involve approximately 40 to 45 counties for presentation at trial.

During the fiscal year over 30,000 records were photographed in 11 Alabama counties. Some 31,000 applications in 12 Alabama counties were processed, of which 23,000 were analyzed to determine whether cases should be filed. Some 10,000 were processed in cases where the Division has received favorable judgments or concluded successful negotiations. In six Alabama counties, voter registration records are photographed at regular intervals and must be processed on a continuing basis. Since the close of the fiscal year, records have been photographed in an additional 14 Alabama counties.

In Louisiana, 205,000 records were photographed in 20 parishes during the fiscal year. Some 41,000 records in 5 parishes were processed in preparation for trial; 2,000 more have been partially processed as part of investigations to determine whether voting discrimination cases should be filed. In addition, it is planned to photograph all the rejected applications in the 64 parishes of the State in preparation for future litigation.

School desegregation

The Department is charged with the responsibility to take any action necessary to protect the integrity of the orders of the Federal courts and to promote and protect the due administration of justice in areas where school orders have been issued. Many communities continue to accept initial desegregation without a single instance of disorder. This Division follows the policy of holding informal conferences with local officials to offer them any assistance, which is within the power of the Department, to help assure peaceful and orderly desegregation. During fiscal year 1963, the number of desegregated school districts in the Southern and border States increased from 912 to 972. As in the previous year, public schools in each of these districts were desegregated without incident.[3]

During the fiscal year efforts were made to secure peaceful compliance with court orders requiring the admission of Negro students to the University of Alabama and the University of Mississippi. In both instances compliance was not effected until the President was required to exert necessary force to protect the integrity of Federal court orders. The Division was deeply involved in both situations which placed unusual demands on the manpower resources of the entire Department.

The Division prepared or assisted in the preparation of numerous briefs and pleadings in the court of appeals and Supreme Court in the University of Mississippi desegregation suit. After the court of appeals had ordered admission of the Negro student, James Meredith, to the University of Mississippi (*Meredith* v. *Fair*, 306 F. 2d 374), one of the appellate judges repeatedly attempted to stay this order pending appeal. His orders were vacated by the full appeals court and, finally, by Mr. Justice Black of the Supreme Court. The Department was requested to file an amicus brief in connection with the application to vacate this stay order. Thereafter the United States participated as amicus in the

[3] In September 1963, at least 150 public school districts in the 17 Southern and border States were desegregated for the first time, the largest number of school systems to have dropped racial barriers since 1956.

district court and court of appeals. Further injunctions were issued against the Governor and other State officials to prevent their interference with Meredith's attendance. The Government also brought civil and criminal contempt proceedings against the Governor and Lieutenant Governor. They were found guilty of civil contempt (313 F. 2d 532) but no penalty has yet been imposed. The criminal contempt proceedings were certified to the Supreme Court on the issue of jury trial. The Court has twice denied certiorari in connection with admission orders and other orders issued since the United States entered the case. (371 U.S. 828; 372 U.S. 916.)

Division attorneys were instrumental in the preparation and obtaining of court orders relating to the admission of Negro students to the summer session of the University of Alabama at Tuscaloosa. While Presidential action was ultimately required to prevent the Governor of Alabama from further interfering with the enrollment of the Negro students, the university was desegregated in accordance with the court orders. The Government filed a complaint and motion for preliminary injunction alleging that Gov. George C. Wallace was threatening to bar Negroes from entering the University of Alabama under the terms of an order previously entered by the district court in the case of *Lucy* v. *Adams*, 134 F. Supp. 235 (N.D. Ala. 1955). On June 5, 1963, the district court rendered its decision granting the preliminary injunction. *United States* v. *Wallace*, 218 Fed. Supp. 290. The court relied upon prior cases in which Federal courts in Arkansas, Louisiana, and Mississippi had enjoined Governors of those States from interfering with the implementation of school desegregation decrees. Under the terms of the court's order Governor Wallace was enjoined from blocking the entry of either of the two named Negro students from the campus of the University of Alabama on the opening day of the summer session, June 10, 1963, or any day thereafter, and from otherwise preventing, or seeking to prevent, the enrollment or attendance of persons entitled to enroll or attend the university under the *Lucy* decree.

In addition, the Division continued its activities in the matter of the public schools in Prince Edward County, Va., which had been closed since 1959. The district court in July 1962 rendered a decision in conformance with the Department's position, holding that the Prince Edward County schools may not be closed to avoid the court's desegregation order while the State permits other public schools to remain open at the expense of the taxpayers. In the appeal of this decision by the school board, the Department entered the case as amicus curiae. Decision, in August 1963, was adverse to the Government's position.

An amicus brief in the Supreme Court was prepared in *Goss* v. *Board of Education* and *Maxwell* v. *Board of Education*. The cases involved the legality of transfer provisions in the Knoxville and Davidson County, Tenn., schools, whereby pupils in a racial minority may transfer to a school in which their race predominates. This results in continued segregation despite a theoretically desegregated school system. The Court struck down the use of race as a standard for determining transfer of students within the school system. (373 U.S. 683.)

Impact area school desegregation

During fiscal year 1963, the Division continued its program to eliminate racial discrimination in the schooling of children of personnel stationed or employed at the various military installations throughout the country. This program relates to over 700 local school districts in the 17 Southern and border States which have applied for and received Federal funds for school construction under the impact area program (Public Law 815). It is the position of the Department that the written assurance which each school district has given to the U.S. Commissioner of Education to educate the so-called federally connected children obligates the district to provide such education on a racially nondiscriminatory basis. Almost a score of school districts which have been contacted by the Department and asked to abide by their written assurance have taken affirmative steps to eliminate racial segregation in the school of the federally connected children. In other districts where the school board failed to take any initial steps toward desegregation, the Division filed suit. Such suits have been filed against local school districts educating children connected with Keesler Air Force Base, Miss. (*United States* v. *Gulport Municipal Separate School District*; *United States* v. *Biloxi Municipal Separate School District*); Barksdale Air Force Base, La. (*United States* v. *Bossier Parish School Board*); Redstone Arsenal, Ala. (*United States* v. *Madison County Board of Education*); Brookley Air Force Base, Ala. (*United States* v. *Mobile County Board of School Commis-*

sioners); and Fort Lee, Va. (*United States* v. *Board of Education of Prince Georges County*). The latter case has been successfully concluded and a permanent injunction issued against the school board restraining it from assigning the federally connected children upon the basis of their race. Pursuant to this order, applications by 61 Negro children living at Fort Lee for assignment to formerly all-white schools located near the base have been approved for the 1963–64 school year. No appeal has been taken from the court's order. The cases relating to Brookley Air Force Base, Barksdale Air Force Base, and the Redstone Arsenal were dismissed in the trial court and appeals have been taken by the Department to the Court of Appeals for the Fifth Circuit. The filing of further lawsuits has been deferred pending the disposition of the legal issues upon these appeals.

Discrimination in interstate transportation

Racial discrimination in the facilities of interstate commerce was virtually eliminated during the fiscal year 1963. Although complaints of individual acts of discrimination are still received, the overt systematic type of discrimination which had been practiced until very recently in a large number of southern communities has apparently ceased. Lawsuits previously instituted by the Division relating to the bus and rail terminals in Jackson, Miss. (*United States* v. *City of Jackson*); Trailways bus terminal in Shreveport, La. (*United States* v. *City of Shreveport*); Greyhound bus terminal in Birmingham, Ala. (*United States* v. *City of Birmingham*); and in the Shreveport Municipal Airport (*United States* v. *City of Shreveport*) were successfully concluded during the fiscal year. In two cases in which the Division participated, the Supreme Court sustained the constitutionality of the regulations of the Interstate Commerce Commission against racial discrimination in motor carrier transportation (*Georgia* v. *United States*), and sustained the standing of the United States to seek injunctive relief against racial discrimination which unconstitutionally burdens interstate commerce (*United States* v. *Lassiter*). At the present time the Division knows of no rail, bus, or air terminals in the United States in which the facilities are designated for separate use upon the basis of race or color.

Amicus participation

In addition to school desegregation cases, the Division prepared briefs in the Supreme Court in a group of cases arising from arrests for sit-in demonstrations, in a reapportionment case, a park desegregation case, and a case involving racial discrimination in employment. Four of the six sit-in cases were decided favorably to the Government's contention that such arrests were a deprivation of 14th amendment rights. *Peterson* v. *City of Greenville*, 373 U.S. 244; *Lombard* v. *State of Louisiana*, 373 U.S. 267; *Shuttlesworth* v. *City of Birmingham*, 373 U.S. 262; *Gober* v. *City of Birmingham*, 373 U.S. 374; while *Avent* v. *North Carolina*, 373 U.S. 375; was remanded for reconsideration in the light of *Peterson*. The sixth case, *Griffin* v. *Maryland*, 373 U.S. 920, involving constitutional problems arising from demonstration activities at Glen Echo Park, Md., was set down for reargument in the October term.

The Division assisted in preparing the *amicus* brief opposing an action brought by Albany, Ga., officials to enjoin civil rights demonstrations. The Albany litigation is still pending. A removal petition was prepared in a case seeking to enjoin the Danville, Va., racial demonstraitons. The removal was denied.

In *Grey* v. *Sanders*, the Government argued that the Georgia county unit system produces capricious divergencies between urban and rural voting power and is contrary to the 14th amendment. The Court upheld this position. 372 U.S. 368.

In *Colorado Anti-Discrimination Commission* v. *Continental Airlines*, 372 U.S. 714, the Court upheld the Government's argument that State antidiscrimination laws are not preempted by Federal legislation which controls other aspects of interstate carriers. The Colorado law requiring equal opportunity for employment was held applicable to a pilot for Continental Airlines.

In *Watson* v. *City of Memphis*, 373 U.S. 526, the Government argued that "all deliberate speed" is not applicable to desegregation of a city park system. The lower courts had allowed the city of Memphis extended time to complete desegregation of the parks. The Supreme Court sustained the Government's position that desegregation should be immediate and also clarified the concept of "all deliberate speed."

An *amicus* brief in the court of appeals was prepared in *Simkins* v. *Cone Memorial Hospital*, involving "separate but equal" operation of a hospital in Greens-

boro, N.C., which is assisted by Federal funds. The lower court held that this use of Federal funds does not require desegregated facilities, 211 F. Supp. 628. Decision was pending at the close of the fiscal year.

Racial discrimination in labor unions was attacked in an *amicus* brief presented to the National Labor Relations Board in a case involving two Independent Metal Workers Union locals at a Hughes Tool Co. in Houston. Local No. 1 has represented only white employees at the plant and local No. 2 only Negro employees. Under the contract with Hughes, only local No. 1 has had the authority to process grievances, however. An NLRB examiner recommended that cease and desist orders be entered against local No. 1. He found that local No. 1 had refused to process a grievance for a Negro member of local No. 2 on racially discriminatory grounds. The Government urges the Board to adopt the findings and recommendations of the examiner, rescind the certification of locals No. 1 and No. 2, and condition any new certification of the Independent Metal Workers Union upon open membership policies and a pledge of fair representation for all employees in the bargaining unit. The case is still pending.

Federal custody

An increasing workload continues to be experienced by this unit of two attorneys who handle legal and administration questions arising from the time of arrest of a Federal prisoner to his final discharge, as described in detail on the first page of this justification. The unit handled 1050 Federal custody matters during the fiscal year, as compared with 850 in the previous year and 398 in fiscal 1961. Direct assistance was afforded to U.S. attorneys in 215 cases and matters in various districts. The unit also defends most suits brought by U.S. prisoners in the District of Columbia courts against the Board of Parole and the Bureau of Prisons. Usually, these actions are by prisoners whose paroles or conditional releases have been revoked, seeking declaratory judgments and mandatory injunctions. During the fiscal year, 70 suits by prisoners were handled directly by this unit in the district court. While the Department has uniformly prevailed, appeals have been filed in a number of these cases. Of special significance was the comprehensive decision handed down by the Court of Appeals for the District of Columbia Circuit, in April 1963, in eight cases involving parole revocation. *Hyser* v. *Reed*, 313 F. 2d 225. The plaintiffs had challenged the administrative procedures of the Board of Parole. While the court ruled in favor of the Government, it held that the Parole Board practices should be revised in one respect; namely, by providing for a preliminary interview hearing to be held at the place of the alleged parole violation rather than at the penitentiary to which the prisoner is returned. It is expected that a considerable amount of additional litigation will follow based on this change in parole procedures.

Criminal cases and matters

While the major enforcement activity of the Civil Rights Division continues to center itself about racial discrimination in voting, schools, and transportation, both the general litigation section and the voting and elections section which are responsible for the enforcement of the criminal statutes assigned to this Division, experienced increased workloads during the past year.

During fiscal year 1963, 2,453 complaints relating to criminal matters were received, an increase of 362 over the previous year. Terminated matters total 2,405, with 701 pending as of June 30, 1963. Sixteen criminal cases were filed, 17 were terminated, and 15 are pending. Of the 17 terminated cases, 8 resulted in not guilty verdicts, and 2 were dismissed. The Government prevailed in the other seven cases. Grand juries refused to indict in 18 matters presented.

The General Litigation Section is charged with supervising the enforcement of all statutes assigned to the Division other than those relating to voting and elections and Federal custody. Its trial activity was highlighted by the following cases:

United States v. *Shackney* (D. Conn.). The defendant was charged in a nine-count indictment with having subjected the members of a Mexican family he brought to this country to work on his chicken farm in Connecticut, to involuntary servitude and peonage over a period of 9 months. The Government's evidence showed that the family had been held in subjection against their will by threats to have them deported and by other psychological coercion. To make the intimidation effective, the defendant refused to allow the family any substantial contact with outsiders even to the exent of preventing their attendance at church and school. He also refused them any funds by which they might have

effected their release. Each member of the family, including the four younger children, ages 7 to 14, was required to work long hours daily, 7 days a week. After the Government was required to elect to go to the jury on either the involuntary servitude or peonage, the jury was permitted to consider six counts of involuntary servitude and returned guilty verdicts on all counts. The court imposed concurrent sentences requiring the defendant to serve 60 days of a 1-year sentence, to be followed by 2 years probation, and to pay a fine of $2,000. The defendant has noted an appeal.

United States v. *McKinney* (E.D. La.). The evidence showed that the defendant, an officer of the juvenile bureau of the Jefferson Parish sheriff's office, took into custody a 12-year-old Negro boy suspected of throwing stones and damaging the windows of trains passing near his home. He took the boy to a levee overlooking the Mississippi River to question him and induce him to admit the offense. There he threatened the boy with bodily harm if he did not confess. Taking his revolver from its holster, he fired several shots into the river. Then he turned toward the victim with the gun loaded and cocked; a shot went off and the boy fell mortally wounded. Since a local grand jury had failed to act on the case, Federal prosecution had to be instituted, by criminal information even though the only applicable Federal statute (18 U.S.C. 242) provided only for imprisonment not to exceed 1 year or a fine not to exceed $1,000, or both. The defendant pleaded guilty and was sentenced to serve 30 days in jail.

The Voting and Elections Section is charged with the statutes dealing with illegal election practices and political activity (18 U.S.C. 241, 242, 591–612). The primary elections in the late spring of 1962 and the general elections held on November 6, 1962, gave rise to many complaints of irregularities. Chiefly, these complaints involved charges of election frauds (18 U.S.C. 241 and 242), the issuance of unlabeled polticial literature (18 U.S.C. 612), and corporate or labor union contributions or expenditures in connection with Federal elections (under 18 U.S.C. 610). Many investigations made as a result of these complaints, are still pending. Past experience indicates that a greatly increased workload will arise from complaints and charges in connection with the 1964 general elections.

Workload

	Actual			Estimated	
	1961	1962	1963	1964	1965
Cases of matters—					
Pending beginning of year	607	898	1,153	1,171	1,300
Received	2,957	3,414	4,158	4,400	4,500
Terminated	2,666	3,159	4,140	4,271	4,400
Pending end of year	898	1,153	1,171	1,300	1,400

Mr. ROONEY. This request is in the amount $1,255,100, which would be an increase of $195,500. The increases are set forth at pages 18–3 and 18–4.

It would appear that but $36,200 of the $195,500 is mandatory; is that correct?

Mr. ANDRETTA. Yes, sir; and $79,000 which is the annualization in——

Mr. ROONEY. That is not mandatory, is it?

Mr. ANDRETTA. That is right.

Mr. ROONEY. Please tell us about this.

Mr. MARSHALL. There is no increase in personnel involved, Mr. Chairman.

Mr. ROONEY. You just got an increase in personnel, did you not?

Mr. MARSHALL. That is correct.

Mr. ROONEY. Go ahead, please.

Mr. MARSHALL. The increase in the budget is mainly to annualize the increase in personnel which was approved for fiscal 1964.

Mr. ROONEY. If you disregard a little item like $80,000, correct?

Mr. MARSHALL. That is the increased cost of services for the Division, Mr. Chairman, principally travel.

Mr. ROONEY. Let us go back to my question.

Let us have the question read, please.

(The question was read.)

Mr. ROONEY. What is the answer to that? You have said this is the result of the additional staff we gave you and this $80,000 has nothing to do with that?

You are going to do more traveling, are you not?

Mr. MARSHALL. That is correct.

Mr. ANDRETTA. The $80,000 is to annualize the additional people.

Mr. ROONEY. Of course not.

Mr. ANDRETTA. I am sorry, Mr. Chairman.

Mr. ROONEY. You are going to do more printing, more traveling and purchase more supplies to the tune of $80,000; is that right?

Mr. ANDRETTA. That is right.

Mr. ROONEY. Please tell us about this, Mr. Marshall.

Mr. MARSHALL. About the $80,000 or the entire——

Mr. ROONEY. The whole smear. You just do not come up here because the title of your Division happens to be Civil Rights, and sit back and expect us to appropriate a couple hundred thousand dollars additional. Tell us about this.

EXPLANATION OF WORKLOAD STATISTICS

Mr. MARSHALL. The work of the division has increased considerably, Mr. Chairman. Some of the statistics on that are set forth on pages 18–5, 18–6, and also in connection with the records analysis on pages 18–12 and 18–13. The mail count during the last half of the calendar year 1963, the first half of the fiscal year——

Mr. ROONEY. What does the workload data on page 18–26 pertain to?

Mr. MARSHALL. Those are the cases or matters, Mr. Chairman.

Mr. ROONEY. This is a summary of the entire work of the Division; is that right?

Mr. MARSHALL. It is a summary of the statistics on cases or matters. The work of that Division is reflected in many ways. This is one of the principal ways that it is reflected.

Mr. ROONEY. This is the principal way; is it?

Mr. MARSHALL. Well, I think that these statistics on the number of voting records that have been analyzed, statistics on the mail count, are also important.

Mr. ROONEY. Are they included in this? What does your page 18–26 exhibit to us? You call them cases or matters and I want to know whether cases or matters include the entire work of the Civil Rights Division.

Mr. MARSHALL. It does in some sense, Mr. Chairman. As I say, I do not——

Mr. ROONEY. In what sense does it not?

Mr. MARSHALL. Because a matter or case that is counted as one item involves the work of a great many lawyers for long periods of time.

Mr. ROONEY. What has that got to do with what we are talking about?

Mr. MARSHALL. It is still counted as one case or matter.

Mr. ROONEY. Are these all the cases or matters you had?

Mr. MARSHALL. That is correct.

Mr. ROONEY. Do these cases or matters include a letter of complaint you receive in the mail?

Mr. MARSHALL. Not necessarily, Mr. Chairman, unless——

Mr. ROONEY. Do we understand that there are included in these statistics no letters of complaint from a citizen with regard to civil rights?

Mr. MARSHALL. If a letter of complaint from a citizen comes to the Division and an analysis of it by one of the lawyers leads us to the conclusion it has to be investigated by the Federal Bureau of Investigation, then it is included in these statistics as a matter.

Mr. ROONEY. Then it becomes a case or matter?

Mr. MARSHALL. That is correct.

Mr. ROONEY. Your answer, which you could have given us so many minutes ago is, "This does not include the letters as such"?

Mr. MARSHALL. No.

Mr. ROONEY. Where do we find the statistics with regard to the letters?

Mr. MARSHALL. On page 18–5.

CORRESPONDENCE STATISTICS

I have a mail count here, Mr. Chairman, which I will put in the record if you would like.

Mr. ROONEY. Let us see it, please.

This includes, does it not, all correspondence of the Civil Rights Division?

Mr. MARSHALL. That is correct, Mr. Chairman.

Mr. ROONEY. This includes your correspondence with district attorneys, with members of the legislative branch of the Government, the White House, and so on; right?

Mr. MARSHALL. That is correct, Mr. Chairman.

Mr. ROONEY. How many complaints have you received?

Mr. MARSHALL. During fiscal year 1963 there were complaints in new matters and cases numbering 2,977 and general complaints of——

Mr. ROONEY. What period?

Mr. MARSHALL. This is fiscal year 1963, Mr. Chairman. It is the second sheet that you have.

Mr. ROONEY. Go ahead, please.

GENERAL COMPLAINT STATISTICS

Mr. MARSHALL. General complaints in the number of 23,316 and of those the ones that merited investigation are counted as new matters or cases.

Mr. ROONEY. If I understand this correctly, out of 23,316 alleged violations of civil rights, general complaints, you wound up with how many cases therefrom?

Mr. MARSHALL. I think, Mr. Chairman, there were about a total of 26,000 which would be in the mail count of the complaints and new matters and cases, plus general complaints.

So, out of approximately 26,000 we got approximately 3,000 which turns into matters and cases. The total number of cases——

Mr. ROONEY. With regard to the 3,000 that you developed out of the 26,000, how many of them did you obtain convictions or relief in?

Mr. MARSHALL. Mr. Chairman, I can give you the statistics on the number of cases filed during the fiscal year but I cannot relate these to the complaints received during the fiscal year.

Mr. ROONEY. Mr. Marshall, I am trying to find out what, if anything, you are doing outside of talking about the very important title "Civil Rights." What successes have you had? Can you give us some figures which would indicate how many convictions or instances of relief, in which you succeeded, out of the 26,000 items that you received?

CRIMINAL CASES

Mr. MARSHALL. There were 17 criminal cases terminated during the fiscal year.

Mr. ROONEY. Out of 26,000 matters?

CONVICTIONS

Mr. MARSHALL. That is right. In six of those cases there was a conviction.

Mr. ROONEY. Not very impressive, is it?

Mr. MARSHALL. These cases are very difficult, Mr. Chairman. Criminal cases are very difficult.

Mr. ROONEY. Is that your way of saying it is not impressive?

Mr. MARSHALL. I do not think it is a very large number, but it is the total number of cases which we determined we should bring after investigation.

Mr. ROONEY. According to page 138 of the printed hearings, of last year, your record was as follows:

Mr. ROONEY. We have seen a number of criminal cases filed by the Civil Rights Division. Can you tell us the number of convictions in the criminal cases which you had in fiscal year 1962?

Mr. MARSHALL. There were six convictions after pleas of guilty or nolo contendre. Three persons found guilty after trial. Those were the number of convictions, a total of nine.

We do not seem to be getting ahead too fast with this, do we?

Mr. MARSHALL. No, there were six during the fiscal year 1963, Mr. Chairman.

Mr. ROONEY. You had six the previous year; right?

Mr. MARSHALL. I think we had nine the previous year.

Mr. ROONEY. So you are going backward.

Mr. MARSHALL. We had fewer convictions during this fiscal year, Mr. Chairman.

Mr. ROONEY. How many people do you have on the payroll down there?

Mr. MARSHALL. We have 52 attorneys at the moment.

Mr. ROONEY. How many clerks, nonprofessional?

Mr. MARSHALL. Fifty-five.

CASES TRIED

Mr. ROONEY. How many cases did you try in the past year?

Mr. MARSHALL. The criminal cases came to a total number of 17.

Mr. ROONEY. Actually went to trial?

Mr. MARSHALL. Well, they were tried or there was a plea. The number that——

Mr. ROONEY. After trial or before trial?

Mr. MARSHALL. In some cases—I will give you that, Mr. Chairman——

Mr. ROONEY. Mr. Marshall, I am asking you how many cases you tried and you know what we mean by that. If you had a plea and it was after trial, it is a tried case.

Mr. MARSHALL. Twelve criminal cases, Mr. Chairman.

May I say this about the criminal cases? Of the 52 lawyers in the Division——

Mr. ROONEY. Mr. Marshall, please say anything you can to justify this request. We are going to give you all the opportunity in the world to do so.

Mr. MARSHALL. Of the 52 lawyers that are presently in the Division, there are 6 who work on these criminal cases. The other 46 do other work.

Mr. ROONEY. They read the letters?

Mr. MARSHALL. Mr. Chairman, that is a problem, but the main——

Mr. ROONEY. Of course it is. I am not saying it is not, but are these the people who read all of these letters and complaints, 26,000 of them, and you wind up with how many cases you try?

Mr. MARSHALL. There were 12 during the fiscal year.

The mail is a great burden. We spread it throughout the Division but the main activity that is done by the other lawyers in the Division is in connection with the enforcement of the 1957 and 1960 Civil Rights Acts.

Mr. ROONEY. Mr. Marshall, it might be well if you told Mr. Anthony Lewis of the New York Times about the testimony here today when it is printed, so he might find out what is going on down there.

1957 CIVIL RIGHTS ACT CASES

Mr. MARSHALL. Mr. Chairman, I have a status report on our current cases under the 1957 Civil Rights Act and also a status report on the counties in which records have been taken and are being inspected, which number about 120 counties now. That is quite voluminous.

Mr. ROONEY. That is all in future, is it?

Mr. MARSHALL. This is the work currently in process.

Mr. ROONEY. You think you will get up to 14 cases in the coming year?

Mr. MARSHALL. Mr. Chairman, these cases are civil cases. The statistics we have been discussing are criminal cases.

Mr. ROONEY. Please let us have your statistics with regard to the civil cases.

Mr. MARSHALL. We have filed 43 cases under section 1971(a).

Mr. ROONEY. Were those 43 included in the 26,000?

Mr. MARSHALL. Some of them, some of the complaints that are included in that related to these cases. That would be correct, Mr. Chairman.

I could not give you a figure on how many, but some of them would have been.

We also filed under section 1971(b) of the 1957 Civil Rights Act 15 cases seeking injunctive relief against retaliation or intimidation against Negroes attempting to register to vote.

Mr. ROONEY. What was your success or nonsuccess in those?

Mr. MARSHALL. Of the total of 58 cases, I believe 18 of them have now been concluded successfully. The others are pending. None of them has been finally lost by the Government.

Mr. ROONEY. What do you mean by that?

Mr. MARSHALL. I mean some of those have been lost in the trial court, but are now pending on appeal.

Mr. ROONEY. You still have hopes?

Mr. MARSHALL. Yes, Mr. Chairman.

INCREASE IN TRAVEL REQUEST

Mr. ROONEY. Tell us about this requested $124,000 worth of travel; to wit, 100-percent increase.

Mr. MARSHALL. During fiscal year 1963, Mr. Chairman, we actually spent $108,654 on travel. That was based on 2,477 days in travel status by attorneys in the Division.

Mr. ROONEY. What I get from this is that you must have been doing too much traveling because the Bureau of the Budget cut you to $62,800 in the current year; right?

Mr. ANDRETTA. That estimate was based on the actual in 1962, Mr. Chairman. By the time that estimate went in for 1964, it was based on the 1962 figure, which was under $60,000.

Mr. ROONEY. Did you do any economy traveling in this area?

Mr. MARSHALL. All the lawyers, wherever they can, use the cheapest form of transportation.

Mr. ROONEY. Have you any evidence of this? Can you tell us of the amount spent for traveling in 1963, $108,654, how much of that was for economy travel or coach fares?

Mr. MARSHALL. I could find that out for you, Mr. Chairman. I cannot give you that now.

Mr. ROONEY. Please insert that information at this point in the record.

Mr. MARSHALL. Yes, sir.

(The requested information follows:)

Of the total $108,654 expended for travel in fiscal 1963, $7,618.55 was spent for economy or coach fares; $7,277.81, for mixed accommodations; and $23,573.69 for first-class or charter accommodations. The remaining $70,184 represented payment for per diem, car rental, and miscellaneous expenses in the field.

EFFECTIVENESS OF OPERATIONS

Mr. ROONEY. Mr. Marshall, it seems to me, from what I have listened to so far, that you come here with a very attractively entitled Division, the Civil Rights Division. It is attractive to a great many of us and it is attractive to me from the city of New York, a believer

in civil rights. But you do not have any facts to back up the effectiveness of the operations of this Division. This now gives you a full opportunity to discuss the subject and tell us all about it.

Mr. MARSHALL. May I insert in the record, Mr. Chairman, these sheets describing the cases we have brought——

Mr. ROONEY. Please tell us about them. We have inserted all of your justifications in the record, you realize that; do you?

ADDITIONAL JUSTIFICATIONS

Mr. MARSHALL. Yes; I do, Mr. Chairman. This is separate data not included in the justifications.

I think it would fill out the record. It would show exactly what has happened in each of the 58 cases we have filed under the 1957 Civil Rights Act. This will tell you what happened in those that were brought to litigation, Mr. Chairman.

Mr. ROONEY. Mr. Marshall, I cannot help you any more than I have. I do not know what else to do.

I am asking you to tell us what you have done with this very substantial amount of money; to wit, $1 million. Let us call it a round $1 million.

This is a lot of money for 16 or 17 cases.

Mr. MARSHALL. Mr. Chairman, there are 58 cases presently pending or completed under the 1957 Civil Rights Act.

INTERROGATIONS IN MISSISSIPPI CASE

Mr. Chairman, I have here some of the material that was filed in one of those cases. These are answers to interrogatories that had to be prepared by lawyers in the Division. They total about 1,500 pages of information and include an analysis of the voting records and voting statistics in 23 counties in Mississippi. That is just one of the cases, Mr. Chairman.

We currently have investigations going on, in addition to the 58 cases filed, in 56 counties. The analysis of the records has taken place or it is now going on in 129 counties and parishes where voting problems exist. This record analysis——

FBI SERVICES IN VOTING CASES

Mr. ROONEY. In connection with all of this, you have the services of the FBI; do you not?

Mr. MARSHALL. Mr. Chairman, in connection with this budget, I took up and discussed with the FBI whether they could relieve some of the burden on the Division involved in analyzing records. They photographed during the last year 250,000 pages of records for analysis, which is the analysis work currently done completely within the Division. I discussed with the Bureau whether they could take on that burden and they said that they did not have the personnel to do it.

Of the 250,000 pages of records——

Mr. ROONEY. Are you telling us that the FBI does not make the investigations for you in this area of civil rights?

Mr. MARSHALL. I am telling you, Mr. Chairman, that they do not make the analysis of the voting records.

Mr. ROONEY. Do they make the investigation?

Mr. MARSHALL. They make investigations for us; yes, sir. They do, Mr. Chairman. They do a very good job of interviewing a good number of witnesses and they investigate completely criminal matters.

Mr. ROONEY. Does not the FBI photograph records and furnish them to you on microfilm?

Mr. MARSHALL. They photograph records, Mr. Chairman, but if I could explain——

Mr. ROONEY. What is wrong with saying "Yes" or "No" to that?

Mr. MARSHALL. The answer to that is "Yes."

Could I explain the procedure that is followed?

Mr. ROONEY. Surely.

VOTING RECORDS PROGRAM

Mr. MARSHALL. We first determine upon the basis of the complaints received and the statistical analysis in the particular county whether or not there appears to be a problem of discrimination. If there is, then we request permission to photograph the records. If permission is denied by the local registrar, we have to take that to court. We have taken some 50 requests, I believe, for demands of that sort to court, which are all litigated cases in court. They are not reflected in any of the statistics that I have given you thus far.

Then, either upon the basis of a voluntary compliance by the registrar, or upon the basis of a court order, we go in to photograph the records. That is mechanically done by agents of the Federal Bureau of Investigation who are accompanied by a lawyer from my Division at the time.

That takes maybe 2 or 3 days, depending on how large the volume of records is in the particular county, which, in turn, depends on its population.

After that, the films of the records are brought back to Washington and they are blown up and analyzed by lawyers and clerks working under lawyers in my Division.

None of the actual work of the analysis is now done by the Federal Bureau of Investigation. As I said, Mr. Chairman, an effort is being made to see if we could relieve the burden on the Division and I took up with the Bureau the question of whether they could do that work and was informed they could not.

That is the principal work that is involved in the records analysis and is the main basis for material such as this 1,500 pages which we filed in the case of the *United States* v. *Mississippi*.

OVERALL USE OF FBI SERVICES

Mr. ROONEY. How many cases or matters or complaints did you use the services of FBI in? I am speaking of the past year.

Mr. MARSHALL. I think this number would be as close as I could give it, Mr. Chairman. It would be the matters received for fiscal year 1963 and shows 3,911. It may be that, for one reason or another, there are a few of those on which we did not ask anything to be done

by the FBI. In general, the FBI would have been asked to do something in all of those. The ones where we would not ask the FBI to do any work would be matters that involved Federal custody where no investigation is required and it is simply a legal question. The FBI does a great deal of work for the Division, Mr. Chairman. I would not want to suggest they do not.

NUMBER OF CASES REFERRED TO FBI

Mr. ROONEY. I fully realize that. As a matter of fact, I can tell you that a total of 2,692 cases were received by the FBI during fiscal year 1963.

Mr. MARSHALL. From the Civil Rights Division?

Mr. ROONEY. Cases received alleging civil rights violation. I assume they came from you.

Mr. MARSHALL. Yes; they would.

Mr. ROONEY. In any event, these are the total civil rights investigations of the FBI, 2,692.

Where did you get that 3,900 figure?

Mr. MARSHALL. I simply took the total number of matters received for the fiscal year, Mr. Chairman. Obviously, it is an overstatement to say that in all of those the FBI was asked to do something.

The criminal matters were 2,453. I imagine they were asked to do something in all of those. Civil matters numbering 1,458, they were not asked.

Mr. ROONEY. How do you jibe that with the statement I just read to you a while ago from the FBI justifications?

Mr. MARSHALL. I believe the figure you gave was 2,692?

Mr. ROONEY. Yes.

Mr. MARSHALL. The total criminal matters we received were 2,453, so they do not fit.

Mr. ROONEY. They do not differentiate between civil and criminal matters. They said they made so many civil rights investigations; to wit, 2,692.

Mr. MARSHALL. No doubt those statistics are correct.

Mr. ROONEY. If we had not looked at the book we would have been under the impression they had done 3,900—or almost 3,900.

Mr. MARSHALL. I was incorrect. I did not have the statistics and I was wrong, I guess.

Mr. ROONEY. I realize that you have an important function and a very difficult one in this Civil Rights Division, but I think anyone with commonsense would wonder about such things as this increase of 100 percent in travel. When these films you speak of are taken by the FBI and are brought back here to your man sitting at a desk in Washington——

TRAVEL EXPENDITURES AND ESTIMATES

Mr. MARSHALL. Mr. Chairman, the actual money spent by the Division in travel during fiscal year 1963 was $108,654. The estimate in this budget is for $124,000. That is not an increase of 100 percent.

Mr. ROONEY. I am comparing it with the 1964 budget. Maybe you did too much traveling in 1962.

Somebody arrived at the conclusion that $62,800 is the right figure for you.

Mr. MARSHALL. I believe that that estimate was made in the fall of 1962 based upon what had gone on before.

Mr. ROONEY. That is when most budget estimates are made each year, in the fall?

Mr. MARSHALL. Yes, Mr. Chairman. I think that is why it was low, because of the timelag.

Mr. ROONEY. Maybe that is a good time of the year to do it.

What did you spend in 1962 for travel?

Mr. ANDRETTA. $54,827.

Mr. ROONEY. When you were here a year ago, you estimated your 1963 travel at how much?

Mr. MARSHALL. $78,000, Mr. Chairman.

Mr. ROONEY. No, sir.

Mr. BROWN. $40,000.

Mr. ROONEY. $40,000; right?

Mr. BROWN. That is correct.

Mr. ROONEY. When you were here last year you estimated your 1964 travel at how much?

Mr. MARSHALL. $78,000. I am sorry, Mr. Chairman. I had the year wrong.

Mr. ROONEY. Mr. Slack?

Mr. SLACK. Mr. Marshall, I fail to see any justification whatsoever for this requested increase in travel.

Mr. MARSHALL. Congressman, as I said, in the last fiscal year we did, in fact, spend $108,000 in travel and the estimate for the coming fiscal year, 1965, is for $124,000 which is based on an increase in personnel over the time in which we spent $108,000. I realize that is a lot of travel but the fact is that these cases are complicated and very burdensome to prepare.

We had in one of the cases I remember 108 witnesses that we had to call. We have to prepare data of this sort [indicating]. That cannot be done by the local U.S. attorneys. It has to be done on the spot, so the fact is that the lawyers in the Division who work on voting matters have to spend a great deal of time in the area where the matter arises preparing a case and then trying it.

That is the reason for it.

Mr. SLACK. Mr. Marshall, the fact remains that your 1964 estimate stated on your justification is $62,800 and you are asking for $124,000, which is a 100-percent increase.

Mr. MARSHALL. I think——

Mr. SLACK. That is all.

There is no point in discussing this subject any further, Mr. Chairman.

That is all I have.

Mr. ROONEY. Mr. Bow?

EFFECT OF NEW LEGISLATION

Mr. BOW. Mr. Marshall, this week and next week we are going to debate a civil rights bill which I believe will pass and I hope will pass.

If it becomes law, you will have to be back here with a complete new budget estimate, new facts and figures to back up this law; right?

Mr. MARSHALL. That is right, Mr. Bow.

Mr. BOW. So what we are doing today may be just an exercise that will not have too much to do with the actual enforcement of civil rights; am I right about that?

Mr. MARSHALL. I am afraid that is correct, Congressman.

Mr. BOW. Under the circumstances, with all of us having the feeling, and I think you do and I am quite sure the Chairman does, that there will be a civil rights bill, can you explain to me why you could not go along with what you have been getting until this is set up, and then we can give a complete review to a new civil rights bill?

Mr. MARSHALL. Well, Congressman, we are not, just for that reason, asking for any increase in personnel. The increases that we are——

ADDITIONAL PERSONNEL AUTHORIZED FOR 1964

Mr. ROONEY. You just got an increase in personnel, did you not?

Mr. MARSHALL. That is right.

Mr. BOW. You are going to put those people on?

Mr. MARSHALL. That is right.

Mr. BOW. You are putting 27 more people on now?

Mr. MARSHALL. Tht is right.

Mr. BOW. That is to fill places given so I go back to my question: Under the circumstances we face here now, why could you not go along just the way you were and let us then take a look at the overall situation when this bill passes?

Mr. MARSHALL. Well, Congressman——

Mr. BOW. Would this cripple the Civil Rights Division?

Mr. MARSHALL. I do not fully understand the question, Congressman.

Mr. BOW. My question is, Could you not get along all right with what you have had?

Mr. ANDRETTA. This is based on the premise there would not be any new law at all, on present needs.

Mr. BOW. I understand that, but I think we are all recognizing there is going to be a civil rights bill. Why could you not get along with what you have had in the 1964 budget until——

Mr. ANDRETTA. We have to get along with the 1964 budget.

This goes until next July 1.

Mr. BOW. That is right. It seems to me we are engaging in an exercise——

Mr. ANDRETTA. It all depends on when a civil rights bill passes and when our bill——

Mr. BOW. Let us assume a civil rights bill goes into effect sometime during the calendar year. There is no reason why, from July until that comes into effect, you could not get along down there without these increases.

Mr. MARSHALL. Congressman, all that we are asking in the 1965 budget is for enough money to get along with what we are now authorized to have.

We are not asking——

Mr. Bow. What you are authorized to have, but which you do not have. You are going to add 27 people as I understand it?

Mr. ANDRETTA. No.

Mr. Bow. That is what your justifications say.

Mr. MARSHALL. We have already added——

Mr. Bow. You have already put those on board?

Mr. MARSHALL. Yes, sir.

Mr. Bow. You have those?

Mr. MARSHALL. Either in or committed; yes, sir.

COUNTIES DENYING VOTING RIGHTS TO NEGROES

Mr. Bow. In your justifications, you say there are 200 counties and several States denying the right to vote. Do you have a list of those counties and States?

Mr. MARSHALL. Congressman, if I can put in the record the list of counties that we are currently——

Mr. Bow. I am going back now to your statement in the record in which you say that there are 200 counties and several States, or a small number of States, where the right to vote is denied to thousands of Negroes.

Do you have a list of those 200 counties and States?

Mr. MARSHALL. I do not have a list.

Mr. Bow. Will you submit that for the record?

Mr. MARSHALL. I can do that, yes, sir.

(The requested information as supplied follows:)

COUNTIES ALLEGED TO DENY VOTING RIGHTS TO NEGROES

Statistical and other information available to this Division indicated that there was reason to believe that in the counties and parishes listed below, Negroes may have been denied their voting rights because of discrimination by voting registrars or through intimidation by private individuals or public officials. In some of the counties listed, no investigation has yet been made by the Department to determine whether this is so, or whether, if so, the discriminatory practices have ceased. In others, action has been taken, either by investigation, records analysis, negotiation, or litigation. Included are the 10 counties and parishes listed in table A of the report of the Civil Rights Commission, Civil Rights 1963, in which denials of voting rights were found:

Alabama.—Autauga, Baldwin, Barbour, Bibb, Bulock, Butler, Chambers, Choctaw, Clarke, Conecuh, Crenshaw, Dallas, Elmore, Etowah, Geneva, Greene, Hale, Henry, Houston, Jefferson, Limestone, Lowndes, Macon, Madison, Marengo, Marshall, Mobile, Monroe, Montgomery, Perry, Pickens, Pike, Russell, Shelby Sumpter, Tallapossa, Wilcox.

Florida.—Flagler, Gadsen, Lafayette, Liberty, Union.

Georgia.—Baker, Ben Hill, Bibb, Bleckley, Chattahoochee, Colquitt, Dooley, Dougherty, Early, Echols, Fayette, Gwinnett, Harris, Houston, Jeff Davis, Jones, Lee, Lincoln, Macon, Marion, Miller, Quitman, Schley, Seminole, Stewart, Sumpter, Terrell, Toombs, Treutlen, Webster, Wilkes.

Louisiana.—Bienville, Bossier, Caddo, Caldwell, Catahoula, Claiborne, Concordia, De Sota, East Baton Rouge, East Carroll, East Feliciana, Franklin, Iberville, Jackson, La Salle, Lincoln, Madison, Morehouse, Natchitoches, Orleans, Ouachita, Plaquemines, Pointe Coupee, Rapides, Red River, Richland, St. Helena, Tangipahoa, Tensas, Union, Washington, Webster, West Carroll, West Feliciana.

Mississippi.—Adams, Alcorn, Amite, Attala, Benton, Bolivar, Calhoun, Carroll, Chickasaw, Claiborne, Clarke, Clay, Coahama, Copiah, Covington, De Soto, Forrest, Franklin, George, Greene, Grenada, Hinds, Holmes, Humphreys, Issaquena, Jackson, Jasper, Jefferson, Jefferson Davis, Jones, Kemper, Lafayette, Lamar, Lauderdale, Leake, Lee, Leflore, Lowndes, Madison, Marion, Marshall, Monroe, Montgomery, Newton, Noxubee, Oktibbeha, Panola, Pike, Pontotoc,

Prentiss, Quitman, Rankin, Scott, Sharkey, Sunflower, Tallahatchie, Tate, Tippah, Tunica, Union, Walthall, Warren, Wayne, Wilkinson, Winston, Yalobusha, Yazoo.

North Carolina.—Bertie, Franklin, Graham, Greene, Halifax, Hertford, Northamption.

South Carolina.—Calhoun, Clarendon, Dorchester, Hampton, McCormick, Williamsburg.

Tennessee.—Fayette, Haywood.

FBI SERVICES IN VOTING RECORDS MATTERS

Mr. Bow. I would like to go back to the participation of the FBI. You say the FBI photographs the records and furnishes them to your Division on microfilm reels. Are they reimbursed for that?

Mr. MARSHALL. The FBI?

Mr. Bow. Yes.

Mr. MARSHALL. No, they are not.

Mr. Bow. That is done out of their budget?

Mr. MARSHALL. That is correct.

Mr. Bow. Just what does the FBI do for you?

Mr. MARSHALL. The FBI, in the area of records inspection under the 1960 act, that is all they do, photograph the records and then turn over the reels of photographs to us.

Mr. Bow. Who obtained statistics from registration books and poll books?

Mr. MARSHALL. We do that in the Division.

Mr. Bow. You go out in the field and do that or is it done from photographs taken by the FBI?

Mr. MARSHALL. A large part is done from the photographs and it is supplemented to some extent in the field.

Mr. Bow. How much is done by the FBI and how much do you do? The actual obtaining of statistics is done by photographing by the FBI in practically every case, is it not?

Mr. MARSHALL. No, Congressman.

Mr. Bow. In how many cases would you say it is done by the FBI and in how many cases is it done by your people?

Mr. MARSHALL. The physical photographing is done by the FBI, but that does not give us the statistics. The statistics are obtained by an analysis of the photographs.

Mr. Bow. What I am going by is this statement in your justifications: "Obtaining statistics from registration books and poll books." This is done by photographing by the FBI, is it not?

Mr. MARSHALL. It is done by an inspection of what the FBI photographs, Congressman.

Mr. Bow. Just a minute. "Obtaining statistics from registration books and poll books." Is that or is that not something that the FBI does by photographing?

Mr. MARSHALL. Congressman, if I could draw a distinction between snapping the shutter on a camera and looking at the picture that is taken, that is the distinction. The FBI snaps the shutter on the camera. That is all they do. Then somebody has to take what they photograph and draw conclusions from it. One of the things they draw from it is statistics. It is not always possible to get statistics from poll books and registration books. In some cases the race of the registered voter is not shown on those books and we have,

in other ways, to seek that out. That is the distinction I want to make, Congressman, that the FBI only snaps the shutter on the camera and that that is not the major effort that is involved in these matters.

Mr. Bow. You say that during the fiscal year over 30,000 records were photographed in 11 Alabama counties. Who took those photographs?

Mr. Marshall. The FBI.

Mr. Bow. Then why do you not say so in your justifications? We have statements here about obtaining statistics from registration books and poll books and that this is an additional factor in your heavy workload, and that during 1963 over 30,000 records were photographed in 11 Alabama counties, and it looks like you are doing a lot of work on this when actually it is being done by the FBI.

Mr. Marshall. No, Congressman; that is not correct.

Mr. Bow. You say during the fiscal year over 30,000 records were photographed in 11 Alabama counties. Who photographed them?

Mr. Marshall. The FBI photographed them.

Mr. Bow. Then this statement does not contribute anything to your workload.

Mr. Andretta. He did not go far enough.

Mr. Bow. I did not write this justification but it is written in a way that would mislead us. This is supposed to be work being done by the Civil Rights Division, and this would lead us to think this work is being done by you when it is being done by the somebody else.

Mr. Marshall. May I explain it?

Mr. Bow. I think it explains itself, but go ahead.

Mr. Marshall. The FBI, accompanied by a lawyer from the Division, goes physically with a camera and photographs these records. The physical photographing is done by the FBI.

Mr. Bow. You still do not get my point. You say, in here during the fiscal year over 30,000 records were photographed in 11 Alabama counties, and when I read that I thought how busy you must be.

Mr. Marshall. The FBI has the camera. We do not have the camera. The FBI has a technician who is skilled in photographing things. We do not have a technician who is skilled in photographing things. As far as the physical photographing that is done, which may take 2 days or so in a particular county, that is done by agents of the FBI who are skilled cameramen, plus a lawyer from the Civil Rights Division that tells him what to photograph. That is a small part of the work involved. When these 30,000 photographs are taken they are put on reels and the reels are brought back to Washington and every one is gone over by lawyers in the Division and clerks in the Division, working under the lawyers. That is major work and I cannot accept the suggestion it is misleading.

Mr. Bow. It was misleading to me until I found the facts.

That is all.

Mr. Rooney. Mr. Cederberg?

EFFECT OF CIVIL RIGHTS LEGISLATION ON DIVISION BUDGET

Mr. Cederberg. Assuming the new civil rights bill passes, how much do you anticipate it will increase your present budget?

Mr. MARSHALL. About $1.5 million.

Mr. CEDERBERG. In other words, we can assume your budget will more than double after the passage of this legislation, in spite of the fact last year you received several new employees?

Mr. MARSHALL. That is right, Congressman. The legislation would increase the responsibilities under law of the Division greatly and necessarily increase the budget.

Mr. CEDERBERG. Do you think it is necessary, because of this one piece of legislation, to double the personnel in your Division?

Mr. MARSHALL. That is our estimate, Congressman. Of course before we submit anything we will go over it again and submit as little as we can get along with. But the legislation involves whole new areas of responsibility in pubic accommodations and public school desegregation and other areas, so the amount of work involved under that statute is very great.

Mr. CEDERBERG. That brings me back to the position that assuming the civil rights bill passes—and I am assuming it will pass within the next few months—you will be back here with a supplemental to implement the act. It seems to me we are spending too much time on this now until we have an opportunity to look over the whole picture after this legislation becomes the law. In other words, it does not make much difference what we do here today, does it?

That is all I have, Mr. Chairman.

ADDITIONAL TRAVEL FUNDS

Mr. ROONEY. Mr. Marshall, we have given you a number of opportunities here this morning, after having inserted your entire justifications in the record, to explain the justification for your request for an additional $50,000 for travel, an additional $20,000 for printing, and an additional $10,000 for supplies.

At what page will we find justification for the request for $50,000 additional in travel? You do not think it is worthwhile to justify a figure such as this, a nice fat figure of $50,000 for travel?

Mr. MARSHALL. Mr. Chairman, I have some additional statistics.

Mr. ROONEY. Where do we find the information in your justifications?

Mr. MARSHALL. The travel is at the bottom of page 18–5 and the top of page 18–6.

Mr. ROONEY. The information consists, am I correct, of the following: "An additional sum of $50,000 is required to meet travel needs in 1965." Is there any further information than that in these justifications?

Mr. MARSHALL. Mr. Chairman——

Mr. ROONEY. Why do you not answer the question?

Mr. MARSHALL. The answer is "Yes."

Mr. ROONEY. Where is it?

Mr. MARSHALL. The preceding sentence, Mr. Chairman.

Mr. ROONEY (reading):

Division personnel were in travel status for a total of 2,477 days as against 1,466 in fiscal 1962.

Is that what you refer to?

Mr. MARSHALL. That is correct, Mr. Chairman.

Mr. ROONEY. And this bears on justification of a request of an additional $50,000 of the taxpayers' money for travel?

Mr. MARSHALL. Yes, it does.

Mr. ROONEY. In view of the figures we disclosed for 1962, 1963, and 1964?

Mr. MARSHALL. In my judgment it does, Mr. Chairman, yes.

Mr. ROONEY. Thank you very much, Mr. Marshall.

Mr. CEDERBERG. That is 1,466 days in fiscal 1962 and 2,477 days in fiscal 1964, a difference of 1,011 days. Is that the basis on which you are justifying the $50,000? You are asking for an increase of $50,000, which comes to about $50 a day.

Mr. ANDRETTA. That is $16 a day for per diem and your other travel expenses, transportation, and so on.

Mr. CEDERBERG. There is a difference of 1,011 days and you are asking for an additional amount of $50,000 to pick up those 1,011 days, so it amounts to about $50 a day.

Mr. MARSHALL. That includes, of course, the travel itself, the airplane tickets and car rentals.

Mr. CEDERBERG. I realize that, but I did not know it would run into that much money. Maybe it does.

Mr. MARSHALL. The figures, Congressman, are that the personnel were in travel status for a total of 2,477 days and the total amount the Division spent on travel during the year was $108,654.

Mr. CEDERBERG. That is all I have, Mr. Chairman.

Mr. ROONEY. That is all. Thank you, gentlemen.

THURSDAY, JANUARY 30, 1964.

LANDS DIVISION

WITNESSES

RAMSEY CLARK, ASSISTANT ATTORNEY GENERAL
J. E. WILLIAMS, FIRST ASSISTANT
H. D. ROGERS, ADMINISTRATIVE OFFICER

Mr. ROONEY. The item to which we shall now direct our attention is the fifth subitem under "Salaries and expenses, general legal activities," entitled the "Lands Division." The details are to be found under tab 15 of the justification book.

We shall at this point insert in the record pages 15–1 through 15–15 of the justification. They indicate that the request is in the amount $3,678,000, which would be a decrease of $120,000 below the amount appropriated for the present fiscal year. This would mean a decrease of 24 positions.

(The justification pages follow:)

Lands division

Appropriation, 1964	$3,798,000
Estimate, 1965	3,678,000
Decrease	120,000

The Assistant Attorney General in charge of the Lands Division supervises all suits and matters of a civil nature relating to lands and real property. This

includes condemnation proceedings for the acquisition of property, actions to remove clouds and to quiet title, to recover possession, to recover damages, to determine boundaries, to cancel patents, to set aside ad valorem taxes and tax sales, to establish and protect rights in minerals and in other natural resources, to establish and protect water rights, to defend actions for compensation for the claimed taking by the United States of land or any interest in land, and to defend actions seeking to establish an interest in real property adverse to the United States. The Lands Division also is charged with representing the interests of the United States in all civil litigation pertaining to Indians and Indian affairs, including the defense of Indian claims against the United States, whether in the Court of Claims or before the Indian Claims Commission. It defends officers of the United States, handles injunction and mandamus proceedings and litigation arising from contracts where those matters affect the rights of the United States in the use or title of real property.

With certain exceptions specified by statute, the Lands Division passes upon the title to all lands acquired by the United States by direct purchase.

AMOUNT REQUESTED

The Lands Division will require an appropriation of $3,678,000 for the 1965 fiscal year for the compensation of personnel and other expenses. This is a decrease of $120,000 in the amount available for the 1964 fiscal year. However, if consideration is given to the statutory increase which will be absorbed in the 1965 fiscal year, it will be a decrease of $200,000.

This decrease is explained as follows:

Appropriation, 1964 fiscal year	$3,798,000
Within-grade promotions, 1965 fiscal year	28,526
Additional pay act costs, 1965 fiscal year (Public Law 87-793)	60,074
Total	3,886,600
Less 1 day's extra pay	8,600
1965 fiscal year requirements at present base	3,878,000
Less amount requested 1965 fiscal year	3,678,000
Decrease	200,000

DETAILS OF REQUEST

The Division is requesting 220 positions for the 1965 fiscal year which is 10 percent less than the 244 authorized for the past several fiscal years. This is a decrease of 12 attorneys and 12 clerical positions.

WORKLOAD

(A) Land acquisition: During the 1963 fiscal year, the Lands Division received 22,289 tracts of land for acquisition by either direct purchase or condemnation proceedings. This was an increase of 11 percent over the previous fiscal year which was the highest fiscal year since 1944. It was an increase of 58 percent over the average tracts received per year for the period 1946–60. Despite the increase in new work, the Division closed 32,170 tracts, which was an increase of 37 percent over the previous fiscal year and more than were closed in any fiscal year since 1944. The average closings for the period 1946–60 were 15,269 tracts per year. The closings this year are an increase of 114 percent over the average for the above period. This was accomplished without an increase in the authorized positions over the previous fiscal year. It is anticipated that the closing rate will be reduced in 1964 fiscal year and future years, but that a continued reduction in tracts pending in condemnation can be achieved during fiscal year 1964 and the next several years. A concentrated effort has been and will continue to be made to increase the proportion of tracts acquired by direct purchase (particularly low-valued tracts) as compared with those which are condemned. This will not only enable the transactions to be closed more quickly but will be a large contributing factor in reducing congestion in the courts as well as eliminating a substantial interest liability and the expense of litigation.

The tracts closed during the 1963 fiscal year involved the acquisition of 701,953 acres and 5,499 parcels of land. The cost of this land amounted to $149,543,359.20.

As of June 30, 1963, the number of tracts pending in condemnation cases and for direct purchase amounted to 25,756, which is 10,421 less than the number pending on June 30 of the previous year. This is a decrease in pending work of 29 percent. Of these pending tracts, 21,357 were in condemnation affecting 1,802,443 acres for which there remained on deposit in the courts $62,015,766.66. The number of pending condemnation tracts decreased by 8,002 over the previous year. This is a 27-percent decrease in pending condemnation tracts.

In the 1963 fiscal year, the Division deposited $61,620,215.75 in the registries of the courts, or an average of $237,000.83 for each working day of the fiscal year. The disbursements for the year amounted to $61,617,532.18, or an average of $236,990.51 for each working day. The amount of interest paid during the 1963 fiscal year on deficiency judgments in condemnation proceedings closed other than by settlement was $2,455,405.48, or an average of $9,443.87 for each working day.

There is attached as exhibit No. 1 a statement which shows for the fiscal years 1944 to 1963 inclusive, the tracts received, tracts closed, tracts pending as of June 30, acres acquired, parcels acquired and cost of both parcels and acres. This exhibit reflects that more tracts were received in the 1963 fiscal year than any year since 1944. It also shows that the tracts closed exceeded any year since 1944 and increased 37 percent over the 1962 fiscal year.

Exhibit No. 2 attached is a statement, based upon figures furnished by other agencies, showing the estimated amount of land to be acquired by the Government during the 1964 and 1965 fiscal years. It is important to note that the estimate specifies 57,103 tracts to be acquired by condemnation or direct purchase, an average of 28,551 tracts per year for the next 2 years, and will be an increase of 6,262 tracts each year over the 22,289 received during the 1963 fiscal year.

There is attached as exhibit No. 3 a statement which shows the condemnation tracts and acres pending, as well as the balance on deposit in the courts, for each of the acquiring agencies as of June 30, 1963.

(B) Indian claims involved in 436 suits still pending before the Indian Claims Commission and the Court of Claims continue to constitute a major factor in the workload of the Division. The amounts for which recovery is sought total billions of dollars. For reasons briefly noted below, the progress made in the handling of these cases is incapable of any accurate statistical measurement. Practically all of these cases involve extremely difficult and novel questions of law and tedious time-consuming factual research. The expenses of litigation, such as expert witness fees, court reporting, etc., in defending these claims run into large sums of money. It is oversimplification to say that, generally the cases are tried piecemeal in three basic parts: (1) Those aspects involved in the determination of liability, if any; (2) the issues as to the amount of the gross liability; and (3) the question of offsets, if any, to arrive at net liability.

Of the 436 cases pending in the Indian Claims Section, liability has been determined in 81 cases involving approximately 365,692,079 acres of land. This leaves 355 cases where a decision must be made by the Commission as to whether the Government is liable. In many of these cases it will be necessary to spend large sums of money to hire historians, ethnologists, anthropologists, etc.

In an effort to speed up the disposition of these cases, the Division requested the Commission to set for hearing 139 cases at a calendar call held by the Commission on December 12, 1962. Hearings for only 87 of those requested were set.

In addition a great effort has been made to reduce our briefing time. During the period from June 14, 1962, to June 30, 1963, the number of extensions granted to the Government was 59 as compared to 104 for the plaintiffs. The Division asked for a total of 2,525 days and used 2,349. Plaintiffs on the other hand requested 5,863 days and actually used 6,413 to file their briefs.

(C) General litigation: (1) Water resources litigation involves all matters relating to the Government's interest in rights to the use of water, water resources, and stream pollution (a comparatively new Federal function of far-reaching consequences). The cases are of the utmost importance and involve the policies of the Government and the economy of millions of American citizens in their relation to the development of water resources. Some of these cases are of such magnitude and importance that it is necessary to assign more than one attorney to a case. Because of the increasing water problem it is anticipated that the number of this type of case will increase during the 1965 fiscal year.

Another important phase of this work is the consideration that must be given to interstate and international compacts involving the waters of interstate and international streams. These compacts require the approval by Congress and are extremely complicated by reason of the many conflicting

interests involved, including the interest of the Federal Government in a fiduciary capacity and otherwise.

(2) Other litigation involves natural resources of all kinds, boundary disputes, claims under the Tucker Act, actions in trespass and eviction, suits to quiet title, injunctions and suits for declaratory judgments involving real property and interests therein. This litigation resulted in the collection of $471,254.51 during the 1963 fiscal year and the recovery or protection of land in the name of the United States of great value. Claims defended amounted to $13,940,894.13 on which judgments were allowed in the amount of $508,087.03 or 3.6 percent of the amount claimed. Claims against the United States defended by the Lands Division pending in the Court of Claims as of June 30, 1963, where the dollar amount is known amounted to $256,744,387.

Exhibit No. 4, attached, is a workload statement of the principal litigation sections of the Division for the years 1957 to 1963, inclusive. (Other sections are: Appellate, which handles the appeals originating in the Lands Division; Appraisal, which reviews and advises with respect to appraisals obtained in the work of the other litigation sections; and Administraitve, which looks after the divisional personnel matters, supplies, statistical, bookkeeping, and general "housekeeping".) This exhibit shows the amount of work received and closed each fiscal year, and the number of cases or matters pending at the end of the years stated.

CONCLUSION

There is no way in which the Division can control its volume of incoming work but it must be prepared at all times expeditiously to handle whatever quantity of litigation is received.

Since an average of more than 3 years elapses from the filing of a complaint in condemnation until the final disposition of the case, it is apparent that the cases received in 1 year substantially affect the volume of business to be handled during the several subsequent years.

When property is taken for public use the property owner is entitled to receive just compensation for it as speedily as the amount can be properly determined and paid, and it is equally important to the general public that the Government's interest shall be fully protected against the unjustified cost of undue haste on the one hand or interest charges due to avoidable delays on the other hand.

In view of the present and prospective workload of the Lands Division, it is felt that the amount requested for the 1965 fiscal year is the absolute minimum required.

EXHIBIT NO. 1

Tracts received, closed, pending—Acres and parcels acquired—Cost, 1944 to 1963 fiscal years, inclusive

Fiscal year	Tracts received	Tracts closed	Tracts pending June 30	Acres acquired	Parcels acquired	Cost of parcels and acres
1963	22,289	32,710	25,756	701,953	5,499	$149,543,359.20
1962	19,982	23,845	36,177	575,390	6,314	145,351,628.95
1961	19,616	17,999	40,040	405,094	2,414	116,615,398.79
1960	16,453	17,876	38,423	401,388	2,910	128,209,884.82
1959	18,858	16,554	39,846	456,639	4,223	107,195,951.52
1958	16,223	15,954	37,542	668,835	3,324	84,235,231.00
1957	16,971	15,509	37,273	753,710	1,853	59,998,318.00
1956	19,706	13,627	35,811	595,679	2,217	63,489,732.80
1955	11,357	13,744	29,732	448,233	3,316	60,954,619.48
1954	11,884	13,302	32,119	580,418	2,300	78,198,483.41
1953	17,953	20,740	33,537	626,426	3,516	74,145,506.79
1952	16,159	16,283	36,324	736,900	4,021	91,150,700.00
1951	18,015	14,434	36,448	1,405,745	3,746	60,801,140.14
1950	14,389	14,863	32,867	920,718	3,178	52,017,868.16
1949	11,777	12,882	33,341	901,039	3,855	51,042,903.73
1948	8,386	10,574	34,323	544,706	2,854	37,521,612.58
1947	5,865	14,261	36,511	412,510	3,565	51,592,302.47
1946	6,089	17,588	44,907	798,673	7,362	59,886,212.23
1945	10,466	25,019	56,406	1,318,484	9,947	159,177,781.97
1944	26,619	34,823	70,959	1,786,825	10,157	114,321,803.91
Total	309,057	362,567		15,039,365	86,571	1,745,450,439.95

EXHIBIT NO. 2

Land acquisitions by acquiring agencies during 1964 and 1965 fiscal years

Agency	Tracts	Acreage	Estimated cost
Bureau of Public Roads	125	762	$1,586,000
Interior—Fish and Wildlife	2,047	419,476	23,746,357
U.S. Coast Guard	9	103	641,000
General Services Administration	804	----------	61,502,200
National Park Service	125	25,561	10,630,000
Department of the Navy	156	15,389	6,260,000
Redevelopment Land Agency	170	----------	8,606,415
Department of Agriculture	804	96,720	3,020,000
Department of the Army and Air Force	38,528	----------	260,322,000
National Aeronautics and Space Administration	3,080	----------	41,305,000
Veterans' Administration	102	213	6,100,000
Bureau of Reclamation	7,512	144,985	24,419,581
Bonneville Power Administration	3,460	18,690	4,522,000
National Capital Housing Authority	181	18	2,359,000
Total, all agencies	57,103	721,917	455,019,571

EXHIBIT NO. 3

Report on cases, tracts, acres pending, and balance on deposit for each agency, as of June 28, 1963

Agency	Cases	Tracts	Acres	Balance on deposit
Atomic Energy Commission	20	150	26,482.02	$184,503.01
Board of Commissioners, District of Columbia	1	4	----------	607.00
Department of Agriculture	59	96	2,411.11	447,431.71
Department of the Air Force	374	2,940	266,248.95	2,846,830.97
Department of the Army	1,612	12,803	858,169.94	32,769,948.36
Department of Commerce	39	99	1,021.93	683,224.76
Department of the Interior	429	2,048	126,652.49	6,244,711.83
Department of the Navy	106	995	188,568.89	2,233,227.31
Department of Justice	1	1	----------	----------
Department of the Treasury	3	4	2.07	15,501.00
Federal Aviation Agency	20	130	1,382.95	697,995.06
Federal Facilities Corporation	5	77	2,179.00	26,148.69
General Services Administration	121	394	6,573.29	6,614,149.18
International Boundary Commission	10	303	75,687.33	1,629,142.14
National Aeronautics and Space Agency	84	1,119	246,681.39	6,097,710.27
National Capital Housing Authority	----------	----------	----------	14,985.25
National Capital Planning Commission	6	27	131.17	144,015.44
National Science Foundation	1	3	143.21	1.00
Post Office Department	20	113	----------	1,083,376.77
Public Housing Administration	8	19	----------	32,319.78
Redevelopment Land Agency	2	5	----------	205,135.13
St. Lawrence Seaway Development Corporation	2	14	27.19	20,100.00
Veterans' Administration	5	13	50.98	24,702.00
Totals	2,928	21,357	1,802,443.91	62,015,766.66

EXHIBIT No. 4

Workload, 1957 through 1963

	1957	1958	1959	1960	1961	1962	1963
Land acquisition:							
Condemnation tracts:							
Received	7,437	6,796	7,276	9,942	10,848	8,663	8,259
Closed	7,864	7,883	8,907	8,989	6,399	11,361	16,261
Pending (end of year)	29,373	28,286	26,655	27,608	32,057	29,359	21,357
Title tracts:							
Received	9,534	9,427	11,582	6,511	8,768	11,319	14,030
Closed	7,645	8,071	7,647	8,887	11,600	12,484	16,449
Pending	7,900	9,256	13,191	10,815	7,983	6,818	4,399
Total land acquisition:							
Received	16,971	16,223	18,858	16,453	19,616	19,982	22,289
Closed	15,509	15,954	16,554	17,876	17,999	23,845	32,710
Pending	37,273	37,542	39,846	38,423	40,040	36,177	25,756
General Litigation Section:							
Regular cases:							
Received	389	445	488	515	484	454	523
Closed	432	397	476	512	488	485	443
Pending	655	703	715	718	714	683	763
Housing cases:							
Received	258	84	173	45	22	51	14
Closed	294	246	147	94	44	39	69
Pending	293	131	157	108	86	98	43
Water resources cases:							
Received	[1] 11	18	8	9	16	22	0
Closed	[1] 4	9	16	6	12	17	25
Pending	95	104	96	99	103	108	83
Indian claims cases:							
Received	10	39	34	15	6	3	2
Closed	15	13	8	15	13	9	16
Pending	411	437	463	463	456	450	436

[1] Since Mar. 18, 1957.

Mr. ROONEY. I should say, Mr. Clark, you are indeed to be congratulated, because looking at your summary workload table on pages 15–14 through 15–15, and the fact that you are voluntarily decreasing your appropriation request to the extent of $120,000 and the number of permanent positions to the extent of 24 is something that is real refreshing.

Mr. CLARK. Thank you very much.

Mr. ROONEY. Very well, Mr. Clark, if you will please proceed. Do you wish to make an overall brief statement?

GENERAL STATEMENT

Mr. CLARK. If it would please the committee, I can summarize our work in 2 or 3 minutes.

The Lands Division has asked for no increase during the last 3 years that has not been required by statutory increases in cost, such as the pay act.

As you have indicated, this year we are asking for a $120,000 reduction, and in addition we would absorb $80,000 in statutory increases which would make a total reduction of $200,000 from that standpoint.

We are also adjusting our personnel positions by a 10-percent reduction. We have 244 authorized positions and we are asking for 220, a reduction of 24 positions.

LAND ACQUISITION

In land acquisition, which occupies about one-half of our manpower, we divide our work between condemnation and direct purchase. Since June 1961 there has been a reduction in condemnation tracts pending in U.S. courts in these amounts:

There were 32,057 pending June 30, 1961; 29,359 pending June 30, 1962; 21,357 pending June 30, 1963; and 19,807 pending today.

There has been a comparable reduction in the direct purchase backlog.

During that time, the quantity of incoming work has increased substantially. In 1963 incoming work increased 11 percent over 1962. So far this year we are receiving work at a rate that is 13 percent in excess of the same period of the last fiscal year. My expectation for the future is a long-range increase.

GENERAL LITIGATION

In general litigation we have a healthy turnover in cases. We have big cases that require staffing and great care, and we have a substantial increase in our workload there too. At this point in this fiscal year our incoming cases are running 20 percent ahead of where they were last year.

INDIAN CLAIMS CASES

In Indian claims we have done our best to accelerate the disposition of all cases. In the last calendar year we have negotiated settlements on our initiative that exceed in numbers and amounts involved all settlements consummated since the passage of the Indian Claims Act.

Mr. ROONEY. What do you mean by that?

Mr. CLARK. That we have settled more cases in the last fiscal year—and this is an accumulation of efforts from succeeding years. These are large and difficult cases on which during the year we reached settlements. They may not be approved by everybody that has to approve them.

Mr. ROONEY. What do you mean moneywise?

Mr. CLARK. I mean the amount of money that would be paid by Congress as a result of settlement exceeds the amount paid out as a result of all previous settlements.

Mr. ROONEY. What is the amount?

Mr. CLARK. In direct settlements on liability—the difficulty is that these cases are divided into stages, the determination of liability stage, the valuation of gross liability stage, and the offset stage to arrive at net liability. In final settlements of liability the amount was $4,111,550.72.

Settlements where the attorneys for the Indians have approved the settlement and the Attorney General has approved the settlement, but we do not necessarily have approval of the Indian tribe, approval of the Secretary of the Interior, and you do not have the approval of the Indian Claims Commission, the amount is $37,603,800.92.

In addition, settlements were reached not on the entire liability, but on the offset phase which are offsets against the awards by the Commission to the Indians based on the original action in the amount of $3,418,130.42.

There are 16 cases involved in all.

Mr. ROONEY. Thank you very much, Mr. Clark. Keep up the good work.

Mr. CLARK. Thank you.

"LONG BEACH" CASE

Mr. Chairman, I should add we settled the Long Beach Naval Base subsidence case during the year for $60 million in cash plus very valuable rights in land and other considerations.

Mr. ROONEY. Very good.

THURSDAY, JANUARY 30, 1964.

FEES AND EXPENSES OF WITNESSES

WITNESSES

S. A. ANDRETTA, ADMINISTRATIVE ASSISTANT ATTORNEY GENERAL

J. C. BROWN, CHIEF, BUDGET AND ACCOUNTS OFFICE

Object classification

[In thousands of dollars]

		1963 actual	1964 estimate	1965 estimate
11	Personnel compensation: Fees	883	825	1,065
21	Travel and transportation of persons	1,616	1,475	1,935
	Total obligations	2,499	2,300	3,000

Mr. ROONEY. The next item to which we shall direct our attention is entitled "Fees and expenses of witnesses" and is to be found at page 85 of the committee print. The details are to be found under tab 23 of the justifications.

We shall at this point insert in the record pages 23–1 through 23–6 of the justifications. They indicate that the request for fiscal year 1965 is in the amount of $3 million, which would be an increase of $700,000 over the amount appropriated for the present fiscal year.

(The justifications follow:)

Analysis of estimate

Appropriation, 1964	$2,300,000
Estimate, 1965	3,000,000
Increase	700,000

PROGRAM AND PERFORMANCE

Fees and expenses are paid to witnesses who appear on behalf of the Government in all cases to which the United States is a party.

1. *Fact witnesses.*—These witnesses testify as to events or facts about which they have personal knowledge. The fees of physicians and psychiatrists for examining accused persons preparatory to testifying in court are also paid from this fund.

2. *Expert witnesses.*—The testimony of these witnesses entails the use of special training or information.

AMOUNT REQUESTED

A total of $2,498,955 was paid to witnesses in fiscal year 1963. This was over 15 percent greater than the total cost in 1962.

An increase in the fees and expenses of witnesses of 6 percent had been predicted for 1963 but the actual costs greatly exceeded the estimate. It is now clear that these costs can be expected to increase each year for the next year or two as the full impact of the new judge power and the current tendency of the courts to order psychiatric examinations of a greater proportion of criminal defendants are reflected in higher payments. Evidence of this continued upward trend in fiscal year 1964 is found in the payments for July through October 1963 which were about 4 percent higher than the same months in fiscal 1963.

Costs for 1964 and 1965 are expected to total $2,700,000 and $3 million respectively. On this basis the amount currently available for 1964 will be $400,000 short and a supplemental appropriation will be necessary.

GENERAL STATEMENT

Fact witnesses are paid in accordance with statutory provisions. Special witnesses and informants are paid only upon specific authorizations of the Administrative Assistant Attorney General.

The appropriations required from year to year are difficult to determine because the costs for witnesses fluctuate considerably. The estimate of $3 million for 1965 is based on our best judgment that payments will continue a gradual upward trend into the foreseeable future.

The annual requirements during the past 5 years are shown in the following table:

Fiscal year	Total paid	Percentage of change
1959	$1,727,683	
1960	1,772,868	+2.61
1961	1,803,945	+1.75
1962	2,165,751	+20.06
1963	2,498,955	+15.39

Limitation on payments to expert witnesses

A limitation upon the total payments to expert witnesses has been included in the annual appropriation act for a number of years. Initially this was intended to fortify the Department's position in negotiating with experts for their services as witnesses in important cases to help hold down the amount of fees. Recenly, however, as the demands for expert testimony have increased and professional fees generally have substantially advanced, the Department has been forced to pay the higher amounts. As a consequence, each time it appears that the demand for experts will exceed the appropriation limitation the Congress has been requested to raise the amount. Actually the limitation does not control the amount of individual payments to experts as originally contemplated, but it does act as a bar to obtaining necessary professional testimony when the fund is nearing exhaustion. This is a self-defeating result as it prevents the proper representation of the Government's interests in important litigation or the deferral of trials until legislative relief can be obtained.

Under the circumstances it is recommended that the language limiting the amount payable for expert fees be eliminated from future appropriation acts. The Department will continue to negotiate in individual cases for the lowest fees obtainable for satisfactory services.

Mr. ROONEY. Why such a large increase and what steps, if any, are being taken to hold this down?

Mr. ANDRETTA. Mr. Chairman, this is a guesstimate based on the current rate of expenditure over the preceding year and other years before that.

We have projected what we think we are going to spend this year. There is a supplemental before you now, which would bring the estimate up to $2,700,000 for this year, which would make the increase for next year $300,000 over the expenditures we expect for this year.

You will notice the fees of witnesses took a big jump in 1962 and 1963, primarily because of an increase in the statutory rates and fees, and the addition of 73 judges—the whole witness volume has gone up.

EXPERT WITNESSES

Coincidentally, the cost of expert testimony and psychiatric and medical examinations has gone up quite extensively. It seems now that in almost every indigent case the court orders a mental examination of the man's competency to stand trial, and whether that is on motion of the court or of the defendant's lawyer or the Department of Justice lawyer, we must pay the expense under the statute. So we are paying a lot of money now for psychiatric and medical examinations on behalf of indigent defendants.

Also, in many of our increasing tort cases we have to resort to a lot of medical testimony because these cases are complex and involve very substantial sums and the Government stands to lose a lot of money unless we have the best testimony we can have in the way of expert medical testimony. Very often through the caliber of our medical testimony we are able to defeat some of these tort actions.

We try, every time there is a request for expert testimony, to insist that the lawyers negotiate and get the best possible bargain for the benefit of Uncle Sam. We are in a box on that, in that the private litigants have no restraint and they do not hesitate to pay the fees these fellows ask, and they get the best in the business. We are trying to get their fees down and hold them to a limited amount.

REQUEST TO ELIMINATE LIMITATION ON EXPERT FEES

Mr. ROONEY. In this connection, you propose to strike out the limitation we have carried in the bill for many years with regard to fees and expenses of witnesses, including expert witnesses, to wit, $275,000, and you make reference to this requested elimination of the limitation on pages 23–5 and 23–6 of your justifications.

(Discussion off the record.)

Mr. ROONEY. It seems to me that if we were to take the limitation out of this language on page 85 of the committee print we would be opening the door too far for the judges.

Mr. ANDRETTA. I don't believe they know about the limitation.

Mr. ROONEY. But you can tell them about the limitation.

Mr. ANDRETTA. I do that, yes.

Mr. ROONEY. Is it not good to have something to tell them?

Mr. ANDRETTA. Yes; incidentally, I had a telegram yesterday from a U.S. attorney where we had denied the use of certain expert testimony that the court had ordered since it was not our expense. The court, in the face of that, threw out the indictment. We run into that,

that if we do not carry out the court's order to pay these expenses the court will drop the case.

Mr. ROONEY. Or decide the case against you.

Mr. ANDRETTA. Yes.

For example, there is the matter of the General Walker mental examinations in Mississippi. The court appointed, I recall three psychiatrists and a lawyer to represent them to review their reports at a court-ordered expense to the Department of some $3,000. I thought this was excessive and requested the U.S. attorney to ask the judge to reduce the charges. The court was adamant and I got the impression that if the Department of Justice did not pay, there would be trouble.

Mr. ROONEY. I do not think you or any member of this committee should succumb to this sort of pressure; I do not think we can do it as a matter of conscience.

Mr. ANDRETTA. We are up against a situation where the court says, "This is it."

Other than the *Walker* case we have been pretty successful in getting the judges to cooperate with the U.S. attorneys and to hold down these expenses. We have a ceiling we try to impose of $100 a day for testimony in court and preparation plus travel at regular Government rates, so that we are doing a little better. These fellows think nothing of wanting to charge $50 an hour and they will be in court from 2 to 6 or 7 hours a day and you will get a bill for $700 or $800. Of course, I am in a box because if I get too tough and say, "Nothing doing," as I do lots of times, our men say they will lose the case.

Mr. ROONEY. And when they lose the case they say you lost it for them?

Mr. ANDRETTA. Yes.

Mr. ROONEY. This is all an estimate?

Mr. ANDRETTA. That is right.

Mr. ROONEY. An expert judgment of what you will have to pay in the coming year.

Mr. ANDRETTA. I am not sure we will spend more next year than this year, which is $2,700,000.

Mr. BROWN. May I make a suggestion that if you leave the language in you raise the limitation to $325,000.

Mr. ANDRETTA. Just raise it enough so that we have some margin.

Mr. ROONEY. Thank you, gentlemen.

OFFICE OF ALIEN PROPERTY

WITNESSES

JOHN W. DOUGLAS, ASSISTANT ATTORNEY GENERAL
ANTHONY L. MANDELLO, CHIEF, OFFICE OF ALIEN PROPERTY

Object classification

[In thousands of dollars]

		1963 actual	1964 estimate	1965 estimate
11	Personnel compensation:			
	Permanent positions	499	469	479
	Positions other than permanent	21	46	38
	Other personnel compensation	2	6	4
	Total personnel compensation	521	520	520
12	Personnel benefits	34	34	34
21	Travel and transportation of persons	17	20	20
23	Rent, communications, and utilities	29	30	30
24	Printing and reproduction	2	10	10
25	Other services	19	20	20
	Payment to "Salaries and expenses, general administration" Justice	50	50	50
26	Supplies and materials	2	3	3
31	Equipment	3	3	3
	Total obligations	677	690	690

Personnel summary

	1963 actual	1964 estimate	1965 estimate
Total number of permanent positions	52	48	48
Full-time equivalent of other positions	3	6	4
Average number of all employees	54	53	50
Employees in permanent positions, end of year	41	41	41
Employees in other positions, end of year	1	1	1
Average GS grade	9.9	9.6	9.6
Average GS salary	$9,781	$10,022	$10,132

Mr. ROONEY. We will now turn to the Office of Alien Property which is handled by your Division, Mr. Douglas. This is to be found beginning at page 77 of the committee print and the details are in the other justification book under tab 31.

At this point in the record we shall insert pages 31–1 through 31–29 of the justification book.

(The pages follow:)

Office of Alien Property

Limitation, 1964	$690,000
Estimate, 1965	690,000

PROGRAM AND PERFORMANCE

The Office of Alien Property takes care of the Government's interests in wartime measures against alien property. On September 1, 1961, the Attorney General delegated to the Assistant Attorney General in charge of the Civil Division, as Director of the Office of Alien Property, all of the functions previously performed by the Assistant Attorney General, Office of Alien Property, or the

Director, Office of Alien Property. This Office operates as a section of the Civil Division under the management of the Deputy Director. The expense of handling litigation, claims, property liquidation, and accounting and auditing functions pertaining to vested property are not financed from appropriated funds, but will continue to be financed from the alien property fund. Actual and predicted workloads are reflected by the following tables.

AMOUNT REQUESTED

It is estimated that the operation of the Office of Alien Property and related functions will require an authorization of $690,000 for the fiscal year 1965, the same amount was authorized for 1964.

Although costs for salaries will be greater in 1965 than for 1964 due to the annualization of schedule II increases under the 1962 Pay Act (Public Law 87–793) and regular step increases authorized by the same law, they will be financed by reprograming a part of the funds heretofore provided for miscellaneous expenses. The latter costs are expected to decrease in 1965.

Caseload

	Actual		Estimate	
	1962	1963	1964	1965
Claims (title, debt, and satellite divesting):				
Pending, beginning of year	1,150	952	669	276
Received or reopened	115	113	45	10
Terminated	313	396	438	226
Pending, end of year	952	669	276	60
Litigation:				
Pending, beginning of year	182	181	116	73
Received or reopened	27	12	37	20
Terminated	28	77	80	55
Pending, end of year	181	116	73	38
Property being liquidated:				
Pending, beginning of year	851	749	557	305
Received	157	16	20	20
Terminated	259	208	272	220
Pending, end of year	749	557	305	105
Amount collected	$1,160,642	$1,748,178	$2,780,100	$1,104,000

EXPLANATION OF ESTIMATE BY ACTIVITY

1. Functions of the Deputy Director

The Deputy Director exercises managerial control of the Office of Alien Property staff, and in addition performs the substantive functions concerning the handling and disposition of alien property which are required by the Trading With the Enemy Act. In the course of supervising the liquidation of assets, the processing of claims, the handling of litigation and the auditing and accounting functions performed by the staff, the Deputy Director authorizes sales of property, accepts or rejects bids, issues licenses, reviews hearing examiner decisions in claims, allows or dismisses claims, and determines questions of national interest under the act. The Deputy Director's major functions concerning work not performed by the claims, litigation, comptroller's liquidation units consist of:

(*a*) *Foreign funds control.*—A program for denying the use of money and property held in the United States to persons in those Iron Curtain countries which have not made adequate financial settlements on behalf of U.S. citizens who suffered damage from war or expropriation measures. Treasury holds for OAP distribution about 630 blocked accounts containing formerly vested funds totalling $870,000 respecting Hungary, Rumania, Bulgaria, and East Germany. Private custodians hold other millions subject to OAP blocking controls. This function is, in effect, a minor claims program in which decisions to license use of the funds (about 100 licenses per year), or to return unblocked funds after State Department has negotiated political settlements with the countries involved, require proof of ownership and interpretation of the laws of descent

of foreign countries. As part of this function licenses are issued annually (about $100,000 per year per country) to maintain the governments-in-exile of Latvia, Lithuania, and Estonia.

(b) *Intercustodial disputes with foreign countries.*—Under agreements made with Britain, Belgium, Canada, Denmark, Luxembourg, the Netherlands, and Norway pursuant to Public Law 81–857 and Executive Order 10244 (May 17, 1951) provision was made for the division of external German assets claimed by two or more allies. The conflicts involve millions of dollars worth of property consisting of securities issued in one allied country but physically located in another, business enterprises (about 25) transnational in character, and bank accounts (about 50) involving deposits in one allied country against which the bank of deposit has set up an account in a bank in another allied country to cover its liability in the currency of the latter country. In one such conflict we have with the Netherlands we are claiming approximately $600,000. Another involves about $6 million which we vested and of which the Netherlands claims half. These matters are concluded by settlements in accordance with the basic agreements negotiated with representatives of the foreign countries involved.

(c) *Legislation.*—The Office annually reports to the Congress on about 15 private bills and other more general legislation affecting OAP and Foreign Claims Settlement Commission activities. Amendment of the Trading With the Enemy Act will probably be necessary to permit quicker final liquidation of OAP activities.

(d) *Claims and orders.*—Each claim processed in the Claims Unit ultimately comes before the Deputy Director for allowance or rejection after his decision on all questions of law or fact. His decision is final with respect to certain claims, and is a recommended decision with respect to so-called excepted claims (generally those over $50,000 and those heard by a hearing examiner) which are reviewed by the Director and the Atorney General. The Deputy Director also issues divesting orders in matters similar to the handling of claims allowances. About 225 claims and orders will probably be processed to decision during 1965.

2. *Claims Unit*

The Claims Unit has the responsibility for processing title claims for the return of vested property filed under sections 9(a) and 32 of the Trading With the Enemy Act, as amended, and section 207 of the International Claims Settlement Act, as amended. It also has the responsibility for processing claims for payment of debts owed by the prevesting owners of vested property filed under the provisions of section 34 of the Trading With the Enemy Act, as amended, and section 208 of the International Claims Settlement Act, as amended. In addition, the Claims Unit is responsible for initiating the divestment of property vested under provisions of both the above acts which was owned directly on the date of vesting by natural persons who were then residents of Bulgaria, Hungary, and Rumania.

To carry out its responsibility this Unit, upon filing of a title claim or debt claim, must assemble and correlate the necessary and available documentary evidence which almost invariable includes foreign records and documents pertaining to complex business and testamentary affairs. After review and analysis of these records a tentative decision to allow or disallow the claim is processed by the preparation of various documents required by established rules of procedure. In some circumstances the claim is referred to a hearing examiner where the work then performed on it by staff attorneys is identical to that performed in the handling of court litigation.

On July 1, 1963, there were pending 345 title claims, 189 debt claims and 135 applications for the divestment of satellite (Iron Curtain country) property or a total of 669 claims.

Included among the 534 title and debt claims are 78 for the return of property valued at approximately $22 million. All of these claims are vigorously contested. Fifty-four of them must await the outcome of related litigation before any final determination can be made with respect to their allowability. The remaining claims in this group have been filed for the return of property valued at approximately $18 million. These contested claims have been documented extensively and some of them may be submitted to a hearing examiner for decision.

Also included in the 534 pending claims are 304 title and debt claims for copyrights involving approximately $2 million. Among these 304 claims is a group of 159 related claims for the return of a fund of copyright royalties totaling approximately $293,000. It is reasonably certain that 81 of these claims will be closed by June 30, 1964. The remaining 78 claims in this group will require extensive processing. Another group of 79 claims (part of the group of 304) have been filed by the composers for the return of interests in a royalty fund totaling approximately $1 million. It is anticipated that 40 of these 79 claims will be closed by June 30, 1964, and that the processing of the remaining 39 claims will require more extensive treatment. All but 3 of the remaining 66 claims in this group of 304 claims should be closed by June 30, 1964. These 3 claims, filed by foreign publishers for the return of approximately $300,000 are of unusual complexity because of the conflicting interests of a sizable number of individual composers.

The remaining 152 title and debt claims consist principally of title claims filed for the return of interests in estates, partnerships, cash and securities, and other categories of property. One hundred and twenty-seven of these claims may be closed by June 30, 1964. Included among the remaining 25 claims are 17 claims filed by the Czechoslovak Government and Czech nationalized corporations which cannot be resolved pending the termination of negotiations currently being conducted by the State Department with the Czechoslovak Government.

It is anticipated that about 75 of the pending 135 applications for divestment under Public Law 285 will be closed by June 30, 1964, and that in spite of subsequent receipts, the entire satellite assets divesting program will be closed by June 30, 1965.

Following is a statisitical study of the Unit's workload:

	Actual		Estimate	
	1962	1963	1964	1965
Title claims:				
Pending, beginning of year	717	556	345	140
Received or reopened	68	24	20	10
Terminated	229	235	225	95
Pending, end of year	556	345	140	55
Debt claims:				
Pending, beginning of year	295	284	189	76
Received or reopened	36	2	0	0
Terminated	47	97	113	71
Pending, end of year	284	189	76	5
Satellite assets divesting orders:				
Pending, beginning of year	138	112	135	60
Received	11	87	25	0
Terminated	37	64	100	60
Pending, end of year	112	135	60	0

5. Litigation Unit

The primary responsibility of the Litigation Unit is representation of the Attorney General's interest in OAP litigation in the Federal district courts, and in probate, estate, and trust litigation in the various State courts of first instance.

(a) Estates and trusts litigation.—When estates and trusts are vested the Attorney General succeeds to the rights of the former owners. The litigation in which the staff becomes involved is identical to the litigation the former owner would become engaged in to protect his interests. As is typical of such probate or surrogate court litigation, the issues involve the extent of the interest vested, the validity of periodic or terminal accountings by trustees, the need to file accountings and make distributions, and the propriety of legal or trustees' fees.

These matters are referred to U.S. attorneys for handling in court wherever such reference is practicable. Close supervision is necessary by the litigation staff since most of these cases require specialized legal training in matters relating to (a) interpretation of the Trading With the Enemy Act, (b) future interests, and (c) complicated accounting problems. In most cases the pleadings and briefs must be prepared in the Litigation Unit and detailed instructions

given at each stage of the case. In particularly difficult cases the staff of the Litigation Unit conducts or participates in the actual trial.

A statistical summary of the estate and trusts cases follows:

	Actual		Estimated	
	1962	1963	1964	1965
Judicial proceedings pending, beginning of year	94	107	78	40
Received	18	6	12	0
Terminated	5	35	50	30
Pending, end of year	107	78	40	10

(*b*) *Federal court litigation.*—As of July 1, 1963, there were 34 Trading With the Enemy Act cases, 2 International Claims Settlement Act of 1949 cases pending in the Federal district and appellate courts, and 2 cases in the Court of Claims. Included in these totals are three cases which as of July 1, 1963, were pending in U.S. courts of appeals.

Under the Trading With the Enemy Act, litigation generally is of two types: (1) Section 9(a) proceedings involving suits in the Federal district courts which seek the return of property vested by the Attorney General, and (2) section 17 proceedings which are suits by the Attorney General to reduce vested property to possession. Approximately $12 million worth of property is involved in these suits.

The section 17 actions in which the Attorney General is plaintiff seek to secure compliance with vesting orders so that the Liquidation Unit can take possession of the vested assets, convert them to cash, and deposit the cash to the credit of the war claims fund. It is anticipated that as many as 45 new section 17 cases may be brought within the next year.

A summary of the Federal court litigation is as follows:

	Actual		Estimated	
	1962	1963	1964	1965
Pending beginning of year	88	74	[1] 38	33
Received	9	6	25	20
Terminated	23	42	30	25
Pending end of year	74	38	33	28

[1] The *I. G. Chemie (Interhandel)* case, included in this total of 38 cases, is going through the terminal stages of litigation and requires some effort from the staff of the Litigation Unit. The case involves the issue of ownership of approximately 93 percent of the stock of General Aniline & Film Corp. The stock has a book value of approximately $130,000,000 and a market value of about $200,000,000. It was seized under the Trading With the Enemy Act by the Alien Property Custodian in 1942 on the ground that it was owned and controlled by an enemy alien, the German chemical cartel, I. G. Farben.

On Mar. 3, 1963, the Attorney General announced that the Department of Justice had secured an agreement in principle which will permit the Government both to sell General Aniline & Film Corp. and to conclude the 20-year legal dispute. Presentation of the settlement to the district court should be concluded by Dec. 31, 1963. According to the tentative schedule of events, the sale of General Aniline & Film Corp. will be culminated during the summer in 1964.

(*c*) *New Court of Claims litigation*—Section 206 of Public Law 87–846 confers jurisdiction on the Court of Claims to hear and determine certain claims against the United States for the proceeds it received from the sale of vested stock of General Dyestuff Corp. A suit seeking in excess of $10 million has been filed on these claims.

(*d*) *Support in Europe.*—The requirement for a considerable amount of investigation and legal work to be performed in Europe continues. This function can largely be performed by the one attorney who is presently headquartered in Munich, Germany.

4. Comptroller's Unit

The Comptroller's Unit is responsible for the maintenance of all accounting records and performs all auditing functions pertaining to property vested under the Trading With the Enemy Act, as amended, International Claims Settlement

Act, Philippine Property Act, and properties delivered to the Office for safekeeping.

The Comptroller's Unit performs OAP's final functions in the task of liquidation of the Office. In its 21-year history the Office had established about 62,000 alien accounts. As of this writing there remain about 4,900 open alien accounts which contain unliquidated assets or cash, or both. In order to close an account of German or Japanese origin and transmit its funds to the war claims fund, it must first be reduced entirely to cash, and be declared free of involvement with pending unresolved claims or litigation. Some 30,000 of the 62,000 accounts were handled and closed in this manner, and most of the remaining 4,900 accounts will be similarly disposed of.

Set forth below is a numerical summary of the various major functions performed by this Unit:

	Actual		Estimate	
	1962	1963	1964	1965
Accounts pending, beginning of year	7,703	6,912	4,954	2,464
Received	5	10	10	0
Closed	796	1,968	2,500	1,800
Accounts pending, end of year	6,912	4,954	2,464	664
Cash receipts transactions processed	1,219	809	500	250
(Dollars involved)	($1,646,000)	($2,146,000)	[1] ($2,400,000)	600,000
Credit and release advices processed	106	30	50	50
Vested property vouchers processed	236	232	350	250
Vesting, divesting, and amendatory orders processed	25	17	20	10
Accounts audited:				
Title and debt claims	258	1,115	1,800	200
International Claims Settlement Act accounts	10	63	50	60
Intercustodial conflict accounts	16	6	25	40
Unclaimed accounts prior to transfer to war claims fund	480	1,207	1,800	1,100
Sales reports	0	0	0	0
Internal Revenue Service tax determinations reviewed and approved	109	98	300	250
Vested business enterprise book of account maintained	14	12	5	2

[1] If the stock of General Aniline and Film Corp. is sold before June 30, 1964, the cash receipts would be increased to the extent of the sales proceeds.

5. Property liquidation unit

This unit collects, administers, and liquidates property vested by the Attorney General under the Trading with the Enemy Act. The property includes interests in estates, trusts, insurance contracts, securities (stocks and bonds), business enterprises, real property, tangible personal property, debts, copyrights, patents, and trademarks.

(*a*) *Trusts and estates.*—The workload pertaining to vested interests in estates, trusts, and insurance contracts involves the review of accountings, distributions, and periodic remittances by fiduciaries relating to life interests, remainder interests, annuities, and legacies. It is through the estates and trusts vestings that additional property such as securities, personalty, and real estate continue to be received.

The divestment provisions of section 205 of Public Law 87–846 (Oct. 22, 1962) authorized the divestment of interests in estates, trusts, insurance contracts, etc., which were not payable or deliverable to the Attorney General, nor vested in possession in him, prior to December 31, 1961. It requires the Attorney General to give notice of divestment to former owners or custodians of the divested interests. The notice cannot be given until the unit's knowledge of the facts controlling divestment (i.e., deaths of life tenants, births of remaindermen, sales or conversion of property, etc.) is brought up to date. Then each affected estate or trust must be reviewed to determine whether the interest will be retained or divested, and information respecting the named beneficiaries' criminal record must be obtained since the statute prohibits divestment in favor of war criminals. As of July 1, 1963, there remained 379 open interests in estates, trusts, or insurance policies. During the last 6 months of fiscal year 1963, 82 notices of divestment were issued.

(*b*) *Securities.*—With respect to securities (stocks and bonds) which become the property of the Attorney General, the unit arranges for the issuance of new certificates in proper form and arranges for deposit of these new securities in the Federal Reserve Bank of New York for custodial purposes. The unit sells such property on the open exchange, or by public offering or negotiation. It returns securities as required by intercustodial agreement, claim procedure, or judicial decree.

A great deal of securities work remains to be done. One group of 123 blocks of foreign and domestic securities worth about $1,200,000 are kept for OAP by the Federal Reserve Bank of New York pending disposition; 43 of these 123 blocks are Canadian securities involved in intercustodial conflicts with Canada. One other block of the group of 123 blocks consists of share in the Chevy Chase Land Co., control of which company is a matter enmeshed in litigation. This one public offering is a complex matter which will take most of the time of one man for 60 days to prepare and consummate.

Another group of about 325 blocks of miscellaneous securities cannot be valued short of offering them for sale. These represent the residue of 20 years of operation during which no acceptable market for the securities was developed. Some of these securities may be worthless, and many of them relate to obscure companies which are difficult to find.

(*c*) *Business entities.*—The unit liquidates business enterprises, corporate or otherwise, in which the Attorney General either owns all of the stock, is the controlling stockholder, or has vested all the assets of the enterprise. The staff of the unit serves as officers and directors of such corporations and as managers of the other enterprises, and performs all the functions required by Office of Alien Property procedures or State law to complete the liquidation and dissolution of them.

There are 15 such enterprises remaining to be liquidated, and it is estimated that $750,000 to $1 million will be recovered from their final liquidation. Not all of the enterprises can be liquidated immediately. Five of them, for example, are involved in litigation.

In addition to the liquidating business enterprises the Attorney General holds a substantial stock interest in two corporations. He holds 97 percent of the capital stock of General Aniline and Film Corp., an industrial enterprise currently doing business approximately $160 million annually. The sale of these securities is scheduled to occur this year, and will require some work by the Office of Alien Property staff. The securities represent the largest asset ($200 million or more) ever vested. The other holding is a 23 percent stock interest in a small corporation. These shares are the subject of Federal litigation.

(*d*) *Real and personal property.*—The unit administers and sells all vested real and personal property. It collects rents and pays taxes and other expenses incidental to the management of real property. It also collects royalties on mineral leases.

Included in the OAP assets are six parcels of real property, nine mortgages and mineral rights leases and three lots of personal property. The estimated realizable value of these 18 items is $300,000; a conservative estimate based on value at the time of acquisition. One lot of personality, consisting of paintings by recognized artists and other works of art, has alone been estimated at $500,000. All of these assets must be sold so the proceeds can be placed to the credit of the war claims fund.

(e) *Miscellaneous.*—There are several miscellaneous tasks which require effort of the Liquidation Unit. There are about 45 vesting orders on which compliance has not yet been had. The files on such matters must be reviewed to see whether the property or interests involved can be collected amicably, or will require litigation. There are also about 600 accounts containing cash or unliquidated property on which no vesting orders were ever issued but which was turned over to the Office for safekeeping. Over 300 of the accounts are neither German nor Japanese (in which case there is statutory prohibition against return) and the cash or unliquidated property in those accounts may be returned or divested to the former owners if they can be found and their ownership validated. The balances in the German and Japanese accounts will probably be transferred to the war claims fund.

Another task of considerable proportions for this Unit is that of responding to requests for information on closed accounts. Under the Bonn Convention of 1955, the Federal Republic of Germany, in lieu of reparations payments, undertook to hold the United States harmless against the claims of German citizens

arising out of OAP vestings. That Government is still considering honoring such claims itself. The German Embassy, on behalf of its citizens, seeks verification from OAP of the nature and amount of property and funds OAP actually vested and which German nationals now claim. Other correspondents are attorneys, or the claimants themselves. Numerous inquiries are received from Congressmen whose constituents are friends or relatives of German nationals. These are matters of serious concern respecting which OAP alone possesses information. It is difficult to estimate how much effort will be spent on such matters in 1965 since no statistics have been kept on the frequency of such inquiries; but the examination of files and preparation of responses consumes some time on a daily basis.

The statistical analysis of the workload of this Unit is as follows:

	Actual		Estimate	
	1962	1963	1964	1965
Estates and trusts and insurance contracts:[1]				
Pending, beginning of year	508	476	399	249
Received	1	0	0	0
Terminated	33	77	150	150
Pending, end of year	476	399	249	99
Amount collected	$674,873	$613,900	$2,190,000	$500,000
Securities (stocks and bonds:[2]				
Pending, beginning of year	296	236	123	33
Received	152	12	10	20
Terminated	212	125	100	53
Pending, end of year	236	123	33	0
Amount collected	$300,026	$841,700	$350,000	$50,000
Business enterprises:[3]				
Pending, beginning of year	23	18	17	10
Received	0	2	0	0
Terminated	5	3	7	7
Pending, end of year	18	17	10	3
Amount collected	$183,034	$85,000	$135,000	$200,000
Real and personal property:[4]				
Pending, beginning of year	24	19	18	13
Received	4	2	10	0
Terminated	9	3	15	10
Pending, end of year	19	18	13	3
Amount collected	$2,709	$17,000	$100,000	$350,000
Copyright interests:				
Prewar contracts:[5]				
In force beginning of year	390	387	1	1
Received	0	0	0	0
Terminated	3	386	0	0
In force end of year	387	1	1	1
Amount collected	$62,187	$73,295	$5,000	$4,000
Licenses issued after vesting:[6]				
In force beginning of year	422	409	9	12
Applications received	96	47	5	0
Licenses issued	12	27	5	0
Terminated	25	427	2	2
In force end of year	409	9	12	10
Amount collected	$33,308	$117,283	$100	0

[1] Each estate or trust is 1 item regardless of the number of persons whose interest has been vested in that estate or trust.

[1] Each estate or trust is one item regardless of the number of persons whose interest has been vested in that estate or trust.

[2] Each item recorded represents receipt of a stock certificate or bond for 1 vestee.

[3] Each item represents 1 corporation or business enterprise.

[4] Each parcel of real estate is 1 item. Each lot of personalty is 1 item.

[5] These represent the vested enemy interest in a contract between the enemy and an American national that was in existence at the time of vesting.

Licenses issued by this office for use of a copyright interest on property previously vested.

The items in the "Terminated" column include both those contracts and licenses which were terminated by their terms or by the effect of the divestment statute (Public Law 87–846). It should be noted, however, that a considerable number of the terminated contracts and licenses have not been audited. Audits will be required in order to assure that a full return has been made to the Attorney General for the rights involved.

The contracts and licenses remaining in force as of June 30, 1963, refer to copyright rights specifically exempted from the divestment statute. They include the American rights to the publication of Hitler's "Mein Kampf."

Distribution of professional staff

Unit	Attorneys	Accountants
Office of Deputy Director	4	
Claims Unit	8	
Litigation Unit	4	
Comptroller's Unit		5
Property Liquidation Unit	3	2
Total	19	7

Mr. ROONEY. The request is in the same amount as the appropriation in the current fiscal year; to wit, $690,000.

You want the same amount as in the current year but how is your workload holding up?

WORKLOAD

Mr. DOUGLAS. Our workload is being cut very effectively, thanks to the late Mr. Myron and his successor, Mr. Mondello.

If our present rate of progress continues we will have most of the affairs of this office wound up by July 1, 1965. If our current budget is maintained for this year——

FUTURE REQUIREMENTS

Mr. ROONEY. You are saying you will not need any more money to run the Office of Alien Property after the end of the coming fiscal year?

Mr. DOUGLAS. No, sir; I did not say that. I will say that we will come in with a substantially reduced budget next year and that we will have most of the affairs——

Mr. ROONEY. These are not moneys out of the U.S. Treasury. They are moneys out of the alien property trust fund, are they?

Mr. DOUGLAS. That is right, Mr. Chairman.

Mr. ROONEY. So we cannot immediately help the President too much with this one, can we?

Mr. DOUGLAS. Except that the amount of money we save can be used for the——

Mr. ROONEY. But it would be fair to inquire as to why, in view of the workload shown on page 31–5, there is not a substantial reduction in these funds even though they are alien property custodian funds.

Mr. DOUGLAS. We have made good progress but we are not able to tackle all of the cases at once, so the problem is to maintain our current progress. I think the estimates we have set forth on page 31–5 are realistic and can be attained. If they are attained, then we will be near the end of the program by July 1, 1965.

May I advert to one element, Mr. Chairman?

ESTIMATED DECREASE IN FISCAL YEAR 1965 CASELOAD

Mr. ROONEY. I am looking at your caseload in the coming year and comparing it with your overevaluation in your estimate for the cur-

rent year. As I see it, in glancing through this list, there is not an item which is not substantially down or equal to what it is in 1964.

Mr. DOUGLAS. Do I understand, Mr. Chairman, you are saying we are projecting a lower estimate?

Mr. ROONEY. No; I am saying I do not understand in view of the fact that page 31–5 shows such a substantial work reduction in 1965 as compared to the current year, 1964, and as compared with the year before that, why the appropriation is not cut half in two.

Mr. DOUGLAS. There are two points on that, Mr. Chairman.

First, we do not work on all of the cases at one time. In other words, even though there is a certain number left, we cannot work on all of them at one time.

The second point is that we are getting down to a hard core of cases which have been put aside, "shoved under the rug" in past years, which are going to require greater attention.

At our current rate of progress we will be down to the figures shown on page 31–5, the last item in the 1965 line.

In my opinion, we cannot achieve this goal unless our current budget is maintained.

Mr. ROONEY. The same observations I just made would apply to your workload chart shown on page 31–13.

Mr. DOUGLAS. Mr. Chairman, with all deference I would have to offer the same answer I gave with respect to page 31–5.

GENERAL ANILINE AND FILM CASE

Mr. ROONEY. What is the status of Aniline and Film?

Mr. DOUGLAS. I am disqualified on that case so I would like to turn that over to Mr. Mondello.

Mr. MONDELLO. Mr. Chairman, the two principal parties in the case, the United States and Interhandel, filed a stipulation in court on December 20, 1963, which pretty much settles the matter as to them. However, there is a problem with respect to a great number of inter venors in the case, all of whom own shares of Interhandel and whom the court is quite anxious to see get the protection that separate litigating parties deserve.

The counsel for all the intervenors are working with Interhandel counsel and our own counsel to get notice to all of their clients to see if they will consent to the settlement. Considerable progress has been made; out of a starting figure of about 2,500 intervenors they are now down to the last 337. Out of about 60,000 shares of stock in Interhandel that they held, they are down to about 5,700 shares.

Mr. ROONEY. What would be a summary of the December 20 agreement?

Mr. MONDELLO. It is about a 35- or 40-page document. There are a great many bits and pieces.

Mr. ROONEY. I am sure that you are capable of giving me a thumbnail sketch of 35 or 40 pages.

What does it mean moneywise? How do we come out on this deal?

Mr. MONDELLO. It all depends. We have made arrangements, Mr. Chairman, to split the proceeds between Interhandel and the United States with the intervenors getting shares represented by their stock interests, although Interhandel shares are the least of it.

Mr. ROONEY. We will wind up with 50 percent of it?

Mr. MONDELLO. We will wind up with more of it and that is why I say there are these separate provisions. We had claims against Interhandel for taxes and those were carried as counterclaims in the litigation. On account of those claims, the United States is getting about $24 million out of the proceeds that come in from the sale of the shares.

We also have an amount in the War Claims Fund to our credit of about $2.9 million. It has been agreed between us that the United States keeps that amount and there are other amounts of that character.

All of the intervenor litigation is against the United States as the defendant. The costs of handling that litigation, defending against it, and satisfying the intervenors, will also be borne exclusively by Interhandel.

Depending on what the shares sell for, the gross proceeds, you can then only determine the value of the Interhandel share in that kitty.

At that point, you will know precisely what amount we get and they get. It has been calculated that if the gross proceeds from the sales of shares comes out at about $200 million the United States will get about $140 million of that.

That accounts for all of the counterclaims and all of the other reasons why we are getting money from them.

Mr. ROONEY. Thank you, Mr. Douglas and Mr. Mondello.

Mr. MONDELLO. Thank you, Mr. Chairman.

TUESDAY, JANUARY 28, 1964.

SALARIES AND EXPENSES, ANTITRUST DIVISION

WITNESSES

WILLIAM H. ORRICK, ASSISTANT ATTORNEY GENERAL
ROBERT L. WRIGHT, FIRST ASSISTANT
PHILIP J. BASSFORD, ADMINISTRATIVE OFFICER

Object classification

[In thousands of dollars]

		1963 actual	1964 estimate	1965 estimate
11	Personnel compensation:			
	Permanent positions	5,025	5,301	5,566
	Positions other than permanent	79	79	72
	Other personnel compensation	15	49	29
	Total personnel compensation	5,119	5,429	5,667
12	Personnel benefits	364	388	405
21	Travel and transportation of persons	287	290	290
22	Transportation of things	14	15	15
23	Rent, communications, and utilities	102	103	103
24	Printing and reproduction	72	72	72
25	Other services	211	205	205
26	Supplies and materials	35	45	45
31	Equipment	52	52	52
	Total costs	6,256	6,599	6,854
	Change in selected resources	−42		
	Total obligations	6,214	6,599	6,854

Personnel summary

	1963 actual	1964 estimate	1965 estimate
Total number of permanent positions	611	613	614
Full-time equivalent of other positions	11	9	7
Average number of all positions	577	573	573
Employees in permanent positions, end of year	561	563	575
Employees in other positions, end of year	23	21	10
Average GS grade	9.6	9.6	9.6
Average GS salary	$9,035	$9,637	$9,824

Mr. ROONEY. The next item, gentlemen, is that for the Antitrust Division. It is to be found at page 80 of the committee print and under tab 19 of the justification book, which tab is in the second book for the Department of Justice.

We shall at this point in the record insert pages 19–1 through 19–32, plus the exhibits contained therein.

(The pages follow:)

Salaries and expenses, Antitrust Division

Appropriated, 1964	$6,600,000
Less transfer to GSA for rent	−1,000
Appropriation, 1964 (adjusted)	6,599,000
Estimate, 1965	6,854,000
Increase	255,000

PROGRAM AND PERFORMANCE

Enforcement of antitrust and kindred laws.

This Division administers and enforces the antitrust laws and related statutes. Actual and estimated caseloads are indicated in the following table:

	1962 actual	1963 actual	1964 estimate	1965 estimate
Cases:				
Pending, beginning of year	137	180	154	169
Filed	73	62	70	75
Terminated	30	88	55	60
Pending, end of year	180	154	169	184

The Assistant Attorney General in charge of the Antitrust Division is responsible for enforcement of the Federal antitrust laws. This involves the investigation of possible violations, the conduct of grand jury proceedings, the preparation and trial of civil and criminal cases, the prosecution of appeals, and the negotiation and enforcement of final judgments. The Division also is charged with the enforcement of numerous so-called kindred laws. This requires the supervision and direction of litigation arising under a number of regulatory acts, participation in hearings before several administrative boards, such as the Interstate Commerce Commission, and the prosecution of appeals from the orders of such boards. The Division also has responsibility for studying, reporting, and advising on the anticompetitive aspects of Government and industry activities connected with national defense, the interstate oil compact, the Small Business Administration and the disposal of Government-owned rubber producing facilities and surplus property. In addition, the Division is charged with reporting periodically to the President and the Congress on the status of the identical bid program, involving collusive bids in excess of $10,000 to public agencies. Various reports are also required of the Division on the

competitive factors embodied in proposed bank mergers. The Division also represents the United States on the Restrictive Business Practices Committee of the Organization for Economic Cooperation and Development.

AMOUNT REQUESTED

The sum of $6,854,000 is requested for the fiscal year ending June 30, 1965, to permit the Antitrust Division to continue its program of enforcement and to perform its other functions. This exceeds by $255,000 the amount available for the 1964 fiscal year. All of the increases requested are needed to comply with statutory provisions relating to the compensation and benefits of existing personnel as set forth below.

Cost of statutory provisions:

Annualization of pay (Federal Salary Reform Act of 1962 (Public Law 87-793))	$142,300
Within-grade promotions	116,000
1 less compensable day in 1965	—20,000
Personnel benefits	16,700
Total	255,000

GENERAL STATEMENT

The fiscal year ending June 30, 1963, was one of significant accomplishment in the field of antitrust enforcement. It surpassed the previous year in most important respects. The House Appropriations Committee, in its report covering the Division's appropriation request for fiscal year 1963 (H. Rept. 1996, 87th Cong., p. 9), emphasized the importance of the successful termination of pending litigation. The Division's record during the fiscal year just closed shows that the committee's directions have been fully implemented.

During 1963, 62 antitrust cases (39 civil and 23 criminal) were filed in Federal district courts, as compared with 73 (41 civil and 32 criminal) the previous year. Those filed included 14 merger cases and 33 alleging price fixing.

In the same period, however, 88 such actions were terminated (65 civil and 23 criminal). This is an alltime record and almost three times the number of antitrust cases closed during the entire preceding year, when only 30 were terminated. There were seven additional cases in which the consent decree had been signed by one or more but not all the defendants or in which the suit had been settled but not terminated due to the 30-day waiting period. Of the 65 civil cases closed, 62 were won, 2 lost, and 1 dismissed on motion by the Government. Eighteen of the 23 criminal actions were won, 4 lost, and 1 dismissed at the request of the Government.

Sixteen district court cases were actually tried or at trial during 1963, as compared with 12 during 1962 and 11 in 1961.

By the end of June 1963 there were 154 antitrust cases pending in district courts (112 civil and 42 criminal), as compared with 180 (138 civil and 42 criminal) on June 30, 1962.

In addition to district court litigation, the Division was represented in five cases during the fiscal year in the circuit courts of appeals, and terminated seven. Of those, five were won and two lost. Four such cases were pending at the beginning of the 2-month period and two on June 30, 1963.

When fiscal year 1963 commenced, the Division's docket of cases in the Supreme Court was the heaviest in history with 12 on file. Five more were filed during the year, and 11 closed. Of those, eight were won and three lost. Six were awaiting decision at the end of the period.

Division attorneys were in courts 1,643 days during the fiscal year, as compared with 499 days in the last 6 months of 1962 (figures for entire 1962 year not available). Thirty-two grand jury investigations into alleged antitrust violations were begun during 1963, 33 closed and 62 still uncompleted at year's end. Sixty-eight FBI investigations were initiated, 72 closed and 125 open on June 30, 1963. Two hundred and seventy-six staff investigations were opened and 250 closed during the same period. On June 30 last, 460 such inquiries were still underway. The 376 investigations of all types initiated during the year are the highest of any year in history. Three hundred and fifty-five investigations were closed and 481 were still pending when the year ended.

Fines and recoveries in antitrust actions (including the damage cases) aggregated $9,809,860 or over $2 million more than the appropriation for the Division for the current fiscal year.

The Division examined and investigated a large number of corporate mergers during the preceding 12 months. One thousand fifty-five were examined and 158 referred to litigating sections for investigation.

One hundred and seventy-six cases involving the so-called "kindred laws" were pending at the beginning of the fiscal year and 156 were initiated. One hundred seventy-eight such cases were closed during that time and 154 awaited termination on June 30 last. Sixty-nine of those filed were Interstate Commerce Commission district court cases. The number of such cases closed during last fiscal year showed an increase of about 75 percent over the number closed in 1962, which was the previous high for any postwar year.

The time of several litigating attorneys was spent in numerous proceedings before regulatory bodies. Five such proceedings were before the Interstate Commerce Commission and involved mergers or acquisitions of control by one carrier and another or others. Two of these proceedings required attendance of Division attorneys at hearings held at numerous points removed from their headquarters and necessitated considerable travel and per diem expenses. In one of these, the proposed Pennsylvania-New York Central Railway merger, 107 days of hearings were involved, of which 26 days were at hearings held at points outside of Washington. Similar proceedings were conducted before the Civil Aeronautics Board involving prospective mergers of air carriers.

Following the text of the justification are charts, workload tables, and statistics providing additional details relating to these matters.

In addition to the litigation, investigations, and regulatory proceedings described above, a substantial part of the time of Division personnel was devoted to a large variety of other matters.

For example, the Assistant Attorney General in charge of the Antitrust Division made 12 appearances before congressional committees for the purpose of giving testimony on subjects of concern to the Division. Three such appearances were made by other members of the professional staff. Division personnel prepared 249 reports for the Congress relating to proposed or pending legislation and answered 617 letters of inquiry from Members of the Congress.

In addition, 59 requests relative to the transfer of surplus property were received and processed (32 of these provided advice to Defense agencies). One hundred and sixty reports were made to the Treasury Department, the Federal Reserve Board, and the Federal Deposit Insurance Corporation under the Bank Merger Act of 1960 on proposed bank mergers. Twelve reports were prepared for the Civil Aeronautics Board, including 10 involving corporation control, interlocking directorates, or the sale or lease of equipment and 10 reports were furnished the Federal Maritime Commission on dual-rate contracts. Fifty-seven other requests were honored for advice or comment on a wide range of miscellaneous subjects from other departments and agencies, 33 alien property returns were processed, and 5 reports were prepared for the Congress (including 4 on Defense Production Act voluntary agreements and 1 on the Interstate Compact to Conserve Oil and Gas).

The statistics are wholly inadequate as an indication of man-hours expended. One surplus property matter, for example, involved at least five lengthy conferences with GSA officials, three of which were attended by the Assistant Attorney General. Similarly, lost in the statistics of one report to Congress is a yearlong effort to keep abreast of the Federal and State regulation of oil production and imports and the effect of that regulation on the industry. Included in that effort is attendance at six distant meetings of the interstate oil compact or its executive committee by at least one staff member. Work on behalf of interdepartmental committees is likewise undisclosed. These include the President's Committee on Financial Institutions, White House Committee on Small Business, the Interdepartmental Committee on Transportation Mergers, and the Interagency Petroleum Study Committee.

The Division received 12 Federal Trade Commission complaints recommending that civil penalty actions be instituted. Three of these were handled by Antitrust Division attorneys and the others were reviewed and forwarded to U.S. attorneys. During the year a total of 15 were terminated resulting in judgments aggregating $131,000.

During the past year, the Division continued its program of rendering assistance to State and local governments in their efforts to enforce the antitrust

laws. As an example of this activity, a committee of State attorneys general met with staff members of the Division and received a week's instruction on procedures and the legal aspects of the heavy electrical equipment suits instituted by various State and local governments to recover damages arising out of civil and criminal prosecutions brought by the Antitrust Division in the heavy electrical equipment industry.

In numerous other instances, law enforcement officials of various States and municipalities have conferred with staff members of the Division with respect to their rights to recover damages arising out of our antitrust enforcement program.

Through the close of the 1963 fiscal year, the Division had received 6,500 reports of identical bidding, which reports are made pursuant to Executive Order 10936, dated April 25, 1961. Of these, 3,232 were submitted by Federal agencies and 3,268 by State and local governments. No material change is anticipated in the rate at which reports are being submitted. The first report to the President and the Congress was made in July 1962 and covered the period July 15, 1961, to February 9, 1962. A second report, covering the period February 10, 1962, through the end of December 1962, was being readied for publication when the fiscal year ended.

Members of the staff have worked closely with the Department of State in connection with representation on the Restrictive Business Practices Committee of the Organization for Economic Cooperation and Development. The U.S. delegation (which includes members of the Division) has assumed responsibility for compiling and editing Committee and working party papers of a technical antitrust nature. This work has been done by attorneys of the Division. Staff members also have participated in discussions with officials of the European Economic Community on antitrust matters and with regard to the possibility of establishing a regular consultation procedure.

Division personnel also have prepared several papers for foreign governments relative to Federal antitrust laws and their application. In addition, during last fiscal year a summary of foreign antitrust laws was prepared after an exhaustive examination of the laws of 45 countries. This study was published as part of its hearings by the Antitrust Subcommittee of the Senate Judiciary Committee. Antitrust law and procedure also has been discussed with legal representatives of a number of nations interested in antitrust enforcement in their own countries.

The recently enacted Antitrust Civil Process Act has proven to be a helpful tool in ascertaining the facts surrounding suspected violations of the antitrust laws. Under the statute, the Division may, prior to the initiation of any court proceeding, issue a civil investigative demand to a firm under investigation for the production, examination, and copying of documentary material deemed relevant to a civil antitrust investigation.

The first such demand was issued in November 1962. From that time through the end of June, last, 126 demands had been issued.

Antitrust litigation

As indicated above, the Division has directed its efforts during the past fiscal year to carrying out the directions of the Congress with respect to the successful termination of pending litigation and has sought, especially in the consent-decree program, to obtain broad and effective decrees, rather than to accept limited proposals for the sake of avoiding trials and settling cases. Although it was feared that this policy might result in fewer terminations, with the resultant increase in the backlog of cases pending, there actually was an almost 300-percent increase in the number of case terminations.

1. *In the Supreme Court.*—Of the antitrust cases decided by the U.S. Supreme Court during 1963, the Division won a number of important victories. Among these was the Division's first bank merger case filed under section 7 of the Clayton Act. In that action (*United States* v. *Philadelphia National Bank*) the Government sought to enjoin the merger of the Girard Trust Corn Exchange Bank with the Philadelphia National Bank. The complaint was filed in February 1961 and in January 1962 the district court entered a judgment in favor of the defendants, holding that the merger was not a "stock" acquisition subject to section 7, and that even if it were, the evidence failed to show that the merger would result in a substantial lessening of competition so as to violate section 7. The district court also held that section 1 of the Sherman Act was not violated. In June 1963 the Supreme Court reversed the district court, holding that the

proposed merger was subject to section 7 and that the act had been violated. It directed the district court to enter a judgment enjoining the merger. This decision, which may be the most important in the antitrust field in a decade, will have a substantial impact not only on pending bank merger litigation, but on other mergers as well.

Another significant decision was in the case against the Singer Manufacturing Co. The Division filed its complaint in December 1959 alleging that the defendant had attempted to monopolize the household automatic zigzag sewing machine business and had conspired with two European corporations to restrain and monopolize trade through the assignment of patent rights. In May 1962 the district court after trial dismissed the Government's complaint, holding that no conspiracy had been shown and that the Government had failed to prove the attempt to monopolize. The Supreme Court, in June of 1963, found that the defendant had engaged in a combination and conspiracy and reversed the court below.

The Supreme Court also upheld the Government's contentions in the important cases involving the alleged block booking of feature films for use by television stations. These cases were initiated in March 1957 and the district court entered a judgment in favor of the Government in February 1961. Because, however, the judgment did not provide sufficient relief and would have permitted the "temporary" block booking of films in order to "test" the market, the Division appealed to the Highest Court for additional relief. In November 1962 the Supreme Court ruled in favor of the Government and remanded the case of the district court for further proceedings. Final judgment was entered in January of this year and provides substantially all of the relief the Government asked.

In November 1962 the Supreme Court affirmed a lower court decision in the *Los Angeles Meat and Provision Drivers Union* case. The district court had found that certain members of the union, who were engaged in buying waste grease from hotels, restaurants, and institutions in the Los Angeles area for resale to processors, had joined the union as a means of fixing prices and allocating business. The Court thereupon ordered the union to terminate the membership of the grease peddlers and enjoined it from accepting peddlers as members. The union appealed and in November 1962 the Supreme Court affirmed the decision of the district court, holding that there was nothing in either the Norris-La Guardia or Clayton Acts, nor in the Federal policy which these statutes reflect to prevent a court from dissolving the ties which bound these businessmen together.

The constitutionality of section 3 of the Robinson-Patman Act, as well as the validity of seven counts of an indictment against the individual defendant, was upheld by the Supreme Court in an opinion rendered in February 1963 in the *National Dairy Products Corporation* and *Raymond Wise* cases. In the former case the Court held that the "unreasonably low prices" language in section 3 of the Robinson-Patman Act is not unconstitutionally vague when applied to sales made below cost for the purpose of destroying competition. In *Wise* the Court ruled that a corporate officer is subject to prosecution under section 1 of the Sherman Act when he knowingly participates in effecting an illegal contract, combination or conspiracy. The cases were remanded to the district court for trial and trial commenced on June 13, 1963. In August the jury returned a verdict of guilty on 13 counts against the corporation and on the 3 counts naming Mr. Wise.

The decision in the *Wise* case was the basis for another favorable ruling by the Supreme Court in the *A. P. Woodson* case involving a similar issue. That action involved price fixing and the suppression and elimination of competition in the sale in the District of Columbia of building materials. The issue on appeal was whether a count charging violations of section 3 of the Sherman Act applies to individuals. In another decision, a civil action against the Utah Pharmaceutical Association, the Supreme Court affirmed a district court decision holding that the association had violated the Sherman Act by conspiring with its officers and members to fix the sale of prescription drugs sold in Utah, by granting the Government's motion to affirm in November 1962.

Another important holding dealing with the scope of the antitrust laws was that in *Silver* v. *New York Stock Exchange*. This case, a private antitrust suit in which the Government participated as amicus curiae, involved review by the Supreme Court of a holding by the Court of Appeals for the Second Circuit that the Securities Exchange Act immunized from the antitrust laws any action taken by a registered securities exchange within the general scope of authority conferred by the constitution of such exchange and that, for that reason, the action of the New York Stock Exchange, in requiring its members to sever their private

wire connections with nonmembers, did not give rise to any liability under the Federal antitrust laws. In May 1963 the Supreme Court reversed the ruling of the appellate court, holding that no such broad immunity existed.

The Division's views also prevailed in three other related antitrust cases not instituted by the Division but in which it participated. The first involved the holding that an oil company could not give a discriminatorily low price to one dealer "in good faith to meet an equally low price of a competitor" within the meaning of section 2(b) of the Robinson-Patman Act where the "competitor" was a retail dealer (*Federal Trade Commission* v. *Sun Oil Company*). In the second case the court rejected the defendant's contention that a Georgia statute prohibited common carriers from contracting with the United States for intrastate transportation of the household goods of military and civilian personnel of the United States at rates other than those prescribed by the Georgia Public Service Commission (*United States* v. *Georgia Public Service Commission*). In the third, an appeal to the Supreme Court was filed by an individual who claimed the right to intervene in an antitrust action on the ground that he was the plaintiff in two damage actions pending in a Federal district court against a subsidiary of the defendant in the antitrust cases. The Government joined with defendant in asking the Court to dismiss the appeal, which the Court did (*Rene Bardy* v. *United States and Music Corporation of America*).

The Division was partially unsuccessful in cases against the White Motor Co. and Pan American World Airways. In the former it was contended that restrictive provisions in contracts between the manufacturer and its distributors which prevent the latter from selling to persons outside a prescribed geographical area or to certain classes of customers, constituted a per se violation of the Sherman Act. In March 1963 the Supreme Court held that the summary judgment procedure employed by the district court was improper and remanded the case for trial.

In that involving Pan American World Airways, the Government sought reversal of the district court judgment insofar as it failed to order the divestiture of W. R. Grace & Co.'s 50-percent interest in Panagra. Pan American filed a cross-appeal from the lower court ruling that Pan American had monopolized air transportation between the United States and South America. In January of this year the Supreme Court held that the complaint should have been dismissed in its entirety since the Federal Aviation Act administered by the Civil Aeronautics Board empowers it to take the action sought by the Government's case and immunizes by implication such action from the antitrust laws. Even here, however, the action was instituted by the Department at the request of the Civil Aeronautics Board upon the assumption by the Board that it lacked authority to act effectively in the matter. Therefore, despite the fact that the decision was adverse to the Division's contentions, the result is not a frustration of the objectives sought but, on the contrary, may actually aid their effectuation.

The Division also filed appeals or notices of appeal in the Supreme Court during the 1963 year in a number of very important cases. These include those against the El Paso Natural Gas Co., Lever Brothers, et al., Continental Can Co., et al., Penn-Olin Chemical Co., et al., Aluminum Co. of America, and Rome Cable Corp., and Ward Baking Co., et al.

2. *In the circuit courts of appeals.*—The Division was notably successful in cases before the intermediate courts of appeal which were decided during the 1963 fiscal year. A brief description of these actions is set forth below.

In January 1963, the Court of Appeals for the Eighth Circuit affirmed the district court judgment (entered on a jury verdict) in the *Beatrice Foods* case that the defendant had violated section 1 of the Sherman Act by conspiring with two other dairies to fix prices for the sale of milk to certain specified institutions located in the Omaha, Nebr., area. The Supreme Court has denied certiorari.

The Ninth Circuit Court of Appeals, in October 1962, affirmed the conviction of the Northern California Pharmaceutical Association and one of its officers for fixing the price of prescription drugs through a suggested price schedule. The association sought certiorari which the Supreme Court denied.

An important issue as to the limits which the courts will place upon third party discovery in proceedings under section 7 of the Clayton Act was involved in the Division's case against Lever Brothers Co., et al. In preparing for trial in the district court, the defendant instituted discovery proceedings and served a comprehensive subpena on a third party returnable in a Federal district court in Ohio. That court quashed the subpena and Lever appealed to the sixth circuit.

The Division intervened with a motion to dismiss the appeal, which was granted in November 1962. Certiorari was denied by the Supreme Court.

In *United States* v. *Ingersoll-Rand Company*, the defendant appealed to the third circuit from a district court order granting the Government a preliminary injunction preventing Ingersoll-Rand from acquiring three firms in the coal mining machinery field pending determination of the validity of the acquisition on the merits under section 7 of the Clayton Act. The Division's contentions prevailed and in June 1963 the court of appeals affirmed the district court's action in issuing the injunction.

An interesting question was presented to the seventh circuit in *North American Van Lines, Inc. et al.* v. *United States*. There an appeal under the "All Writs" statute was sought to review the decision of a district court which had refused to grant a motion by the defendants to dismiss a criminal Sherman Act proceeding on the ground that the matters involved in the trial of the antitrust case were within the primary jurisdiction of the Interstate Commerce Commission and the Federal Maritime Commission. In addition to the substantive issues which were the direct subject of the petition, there was presented the additional issue of the propriety of granting this extraordinary writ. The appellate court ruled in favor of the Government in March 1963.

Other victories won by the Division in related cases included a ruling by the fourth circuit dismissing a petition for leave to file a writ of mandamus seeking to require a district court judge to convene a special grand jury for the purpose of investigating alleged civil and criminal violations of the antitrust laws. This petition was filed by the A. & H. Transportation Co., Inc., following an order of the district court declining to summon a grand jury. The Government opposed the petition and in June 1963 the fourth circuit dismissed it.

Another action in which the views of the Government prevailed was *In the Matter of the Application of Shenandoah Valley Broadcasting, Inc.* In that case the United States filed a memorandum in response to the motion to dismiss filed by ASCAP, by which the Government agreed that an appeal to the second circuit should be dismissed for want of jurisdiction in conformity with the provisions of the expediting act providing that appeals from a final order of a district court in a Government civil antitrust suit lies, if at all, to the Supreme Court rather than to an intermediate court of appeal. The appeal was by 364 television stations from dismissal of their application to the district court under the amended final judgment in *United States* v. *ASCAP* for the determination of reasonable fees to be charged appellants by ASCAP for licenses to perform copyrighted musical works. The appeal was dismissed by the second circuit in May 1963.

The Government was unsuccessful during the year in two intermediate appellate court decisions. In *Standard Oil Company, et al.* v. *United States*, a number of oil companies were convicted by a jury of fixing gasoline prices. In May 1963 the Seventh Circuit Court of Appeal reversed the judgment of conviction and remanded the case for a new trial in the basis that the trial judge committed a number of reversible errors in the conduct of the trial. The case will be retried in April 1964.

In the other, the case against Minnesota Mining & Manufacturing Co., the defendants made a motion to transfer the case from the eastern district of Illinois to the district of Minnesota. The district court denied the motion. The action of the lower court was appealed to the seventh circuit which, in February 1963 reversed the district court and issued a writ of mandamus ordering the transfer to the Minnesota district. The Government has, however, successfully petitioned the Supreme Court for a writ of certiorari.

In a related case not filed by the Division but in which it intervened in re grand jury proceedling), the third circuit, in November 1962, upheld a denial to the Federal Trade Commission of access to grand jury material in two of the Government's successful price-fixing prosecutions against manufacturers of electrical equipment.

3. *In Federal district courts.*—Among the 65 civil district court cases closed during the 1963 fiscal year were those involving injunctive relief against the 29 defendant companies in 19 cases against members of the heavy electrical industry. The consent decrees in these cases provided for broad, effective relief, particularly in the judgment against the General Electric Co., which was a defendant in each of the 19 suits.

During the same period there were varying degrees of activity in 11 civil damage cases involving 19 manufacturers of heavy electrical equipment. Of

these 11 suits, 3 were new actions involving switching equipment, isolated phase bus, and navy and marine switchgear. All of these suits have been progressively advanced through varying stages of settlement to a point ranging from continuing settlement negotiations to final disposition in others.

Dismissals on terms satisfactory to the Government have been entered as to 16 defendant manufacturers (most of these defendants were in more than 1 case). Of these 16, 5 were dismissed without prejudice and without payment of any consideration because of de minimis purchases; 11 defendant manufacturers have completely settled their liabilities by the payment of amounts ranging from $5,600 by Ohio Brass to $7,470,000 by General Electric in the final settlement of its aggregate liability in all 11 actions.

At the close of the year negotiations with Westinghouse, Federal Pacific, and Schwager-Wood had been completed and presented to the court for final approval. Under the settlement agreement Westinghouse agreed to pay $800,000 to cover liability in the 10 cases in which it was a defendant. Federal Pacific agreed to pay $63,000 and Schwager-Wood, $17,000. These settlements were approved by the court shortly after the close of the fiscal year. It is anticipated that the cases against the three remaining defendants will be tried during the current fiscal year.

Although space will not permit a detailed discussion of all of the other significant district court cases closed during the year, the following are of sufficient interest to warrant their brief description:

In April 1958 the Division secured an indictment against the American Natural Gas Co., two other companies and three individuals charging a conspiracy to exclude and boycott the Midwestern Gas Transmission Co. and to prevent any other competitor from servicing the area concerned (Wisconsin, Minnesota and parts of Illinois and Michigan), thereby denying consumers from obtaining natural gas. The case was designed to insure that private groups cannot conspire to deprive any section of the country of a fuel supply. After the disposition of several motions and pretrial conferences, the defendant corporations entered pleas of nolo contendere, and in May 1963, the court imposed fines on them totaling $300,000. The indictment was dismissed as to the individual defendants. (*United States* v. *American Natural Gas Company, et al.*, (N.D. of Ill.).)

Another criminal case with nationwide implications was that of *United States* v. *North American Van Lines, Inc., et al.* (S.D. of Ind.), which involved a conspiracy to obstruct efforts of competitors to get Government business, to fix rates for shipments, to force competitors to adhere to those rates, to force various agents to refuse warehouse storage space to independent movers and prevent and postpone the introduction of "through-packaging" methods, thus depriving the Government of free rate competition and increasing costs. Defendants included Aero Mayflower Transit Corp., Allied Van Lines, Inc., United Van Lines, Inc., and the Household Goods Carriers' Bureau in addition to a number of individuals. The indictment was returned in June 1961 and all of the defendants pleaded not guilty. After many motions and hearings, including a petition to the Seventh Circuit Court of Appeals for a common law writ of certiorari, the defendants changed their pleas to nolo. The proceeding was terminated in May 1963 by the imposition of fines aggregating $230,002.

A conspiracy to monopolize and other illegal practices in the entertainment field on a nationwide basis were alleged in the suit filed against the Music Corp. of America (*United States* v. *MCA, Inc.*, S.D. of Calif.), in July 1962. Matters of concern were monopolization in the talent agency business, in the production of television network programs, in the sale of network prime time, the acquisition of competing talent agencies and subagents together with name talent, and a number of other violations. In October 1962 a consent decree was entered under which the defendant was required to dissolve its talent agency business and refrain from influencing its clients in the choice of new agents. In addition, MCA was directed immediately to end its contracts for representing actors, actresses, directors, writers, and other entertainment, end its contracts with talent unions allowing it to represent talent and give up its State licenses as a talent agency. MCA also was made to close its foreign talent agency operation.

In *United States* v. *Renault, Inc., et al.* (S.D. of N.Y.), 19 defendants were charged with antitrust violations in a civil suit alleging that they fixed wholesale and retail prices for the sale of Renault and Peugeot automobiles and parts, engaged in exclusive dealing practices and allocated exclusive sales territories. The complaint was filed in December 1959. Consent negotia-

tions were commenced in September 1961, and the final judgment entered in July 1962. The judgment enjoined continuance of the illegal practices.

The Government, in November 1958, filed a complaint against the General Electric Co., N. V. Phillips' Gloeilampenfabrieken, and Westinghouse Electric Corp. seeking to enjoin a conspiracy which prevented the importation into Canada of radio and television sets manufactured in the United States (*United States* v. *General Electric Co., et al.*, S.D. of N.Y.). After extensive trial preparation, negotiations with the defendants and consultation with the Canadian Government, consent decrees were entered against the defendants enjoining them from entering into or adhering to any agreement restricting any U.S. manufacturer of home entertainment apparatus, or any foreign subsidiary, from exporting its products to Canada. Final judgment was entered in November 1962.

In August 1959 the Government filed a complaint (*United States* v. *Diebold, Inc., et al.*, S.D. of Ohio), under section 7 of the Clayton Act as a result of the acquisition by Diebold, Inc., of the Herring-Hall-Marvin Safe Co. It was contended by the Division that the acquisition would eliminate competition in the manufacture and sale of bank vault doors between the two concerns and would enhance Diebold's competitive advantage over small producers, deterring and lessening competition in the field. In March 1961 the district court judge granted defendant's motion for a summary judgment, which judgment was reversed the following year by the Supreme Court which remanded the case to the district court for trial on the merits. A consent judgment was made final in May 1963. The judgment requires the defendant Diebold to make a bona fide effort to sell the acquired assets within 12 months on a basis permitting the properties to be reactivated as an operating business in competition with other firms engaged in the manufacture and sale of bank protection equipment.

United States v. *National Homes Corp.* (N.D. of Ind.), dealt with the sale on a nationwide basis of prefabricated houses. A complaint filed by the Division in November 1959 against National Homes Corp. charged it with unlawfully acquiring seven concerns engaged in the manufacture of prefabricated housing. The Government contended that the acquisitions substantially lessened competition in the field and tended to create a monopoly. The relief sought included divestiture of the acquired properties, as well as an injunction to prevent the planned acquisition of the Knox Corp. The suit was terminated in December 1962 by the entry of a consent judgment under which the defendant agreed to dispose of four of the seven companies acquired (including six of the nine plants which it had purchased).

Of particular interest are two criminal cases involving conspiracies to fix prices, allocate business, and submit rigged bids to school districts in the sale of school supplies.

The first, *United States* v. *Kurtz Bros., et al.* (E.D. of Pa.) involved six firms and nine individual defendants, all of whom were indicted in June 1962 for the Sherman Act violation. The defendants' illegal activities covered a four-State area (Delaware, New Jersey, Pennsylvania, and New York). The action was terminated by nolo pleas by all of the defendants and the imposition of fines totaling $101,250.

The indictment in the companion case, *United States* v. *J. L. Hammett Co. et al.* (E.D. of Pa.) named four firms and an equal number of individuals, and charged the same illegal activities in Maryland and Virginia sales. This case, in which the indictment was returned in June 1962, also was closed by the entry of nolo pleas and the imposition of fines aggregating $30,750. One defendant also was given 6 months' probation, conditioned upon payment of his fine.

Civil cases against the defendants in these two criminal actions were still pending at the close of the fiscal year. Each probably will be terminated by the entry of a consent judgment providing all of the relief sought by the Division.

As previously stated, there were 154 civil and criminal district court cases pending at the close of the 1963 fiscal year. It is anticipated that between 65 and 70 of these will reach trial or trial stage during the current year. This litigation, together with the large number of pending investigations which also absorb a very substantial portion of our total resources, impose a very heavy burden on the Division's staff, as the preparation for trial and

trial of complicated antitrust cases require many experienced attorneys and economists.

A few of the more important cases to be tried are briefly described below.

United States v. *Manufacturers Hanover Trust Company, et al.* (S.D. of N.Y.). In this action, brought under the False Claims Act and the Clayton Act, the Government seeks the recovery of $12 million in damages as a result of rigged bidding. The case resulted from the investigation into the activities of members of the heavy electrical industry. The remaining defendants are Allis Chalmers Manufacturing Co. and I-T-E Circuit Breaker Co. Trial is scheduled to commence in late spring, 1964.

United States v. *Manufacturers Hanover Trust Company, et al.* (S.D. of N.Y.). This complaint was filed to block the merger of the Manufacturers Trust Co. and the Hanover Bank of New York which would create the fourth largest bank in the Nation. It is charged that this proposed merger would substantially lessen competition and tend to create a monopoly in violation of section 1 of the Sherman Act and the Celler-Kefauver amendment to the Clayton Act. The case was fully tried and submitted to the court. The judge decided to hold up his opinion until the Supreme Court had ruled in the *Philadelphia Bank* case. After the opinion in the *Philadelphia Bank* case, the court invited the parties to reopen the record. Oral arguments are to be made in January 1964.

United States v. *Kennecott Copper Corporation* (S.D.N.Y.). The complaint in this case charges that the acquisition by Kennecott Copper Corp. of the assets of the Okonite Co. may substanially lessen competition or tend to create a monopoly in violation of section 7 of the Clayton Act. Trial was concluded in December. The parties are now preparing posttrial briefs and proposed findings of fact and conclusions of law which are due in the spring.

United States v. *Continental Illinois National Bank and Trust Company of Chicago, et al.*, (N.D. Ill.). Complaint alleges that the merger of this bank with the City National Bank & Trust Co. would eliminate competition and tend to create a monopoly in violation of section 1 of the Sherman Act and section 7 of the Clayton Act. This merger would further concentrate on already heavy concentration of commercial banking in the city of Chicago. Discovery proceedings have been going on and the case is being prepared for trial.

United States v. *Johns-Manville Corp., et al.*, (E.D. of Pa.), The indictment in this action alleges violations of sections 1 and 2 of the Sherman Act in price fixing and monopolization in the sale of asbestos cement pipe and couplings. There are a number of corporate and individual defendants in addition to the Johns-Manville Corp. A companion civil case also is pending.

United States v. *Grinnell Corp., et al.*, (D. of R.I.). This suit alleges violations of sections 1 and 2 of the Sherman Act in the nationwide sale of burglar and fire alarm equipment. In addition to Grinnell, the defendants include American District Telegraph Co., Holmes Electric Protective Co. and the Automatic Fire Alarm Co. of Delaware. Trial date will be set in the spring of 1964.

Among the tables appended at the end of the text is one which lists each of the antitrust cases pending at the end of the 1963 fiscal year, together with its status at that time.

Attorney personnel

At the beginning of the 1963 fiscal year, the Division had 274 attorneys on the rolls. One hundred and seven of those were assigned to the temporary field offices and 167 to the Washington office. On June 30, 1963, 117 attorneys were assigned to the field offices and 177 to the seat of government, making a total of 294.

Although the Division has an authorized force of 322 attorneys, plus supporting economist and clerical personnel, funds were provided during last year for an average employment of only 294 lawyers.

The turnover in legal personnel, which has always been a problem since it means the loss of capable and experienced antitrust lawyers, showed a marked decrease during 1963. Although there were 37 separations during the 12-month period, terminations compared very favorably with the 54 which took place during the preceding year.

The reduction in turnover is attributable in all probability (*a*) to increased salaries under the provisions of the Salary Reform Act of 1962 and (*b*) the Division policy of giving preference to qualified applicants who indicate either an interest in a career in Government or a willingness to stay with the Division for at least 4 years.

It also should be noted that better utilization of our personnel is expected to result from a recent reorganization of the Division and the transfer of personnel between buildings so that each attorney and economist is quartered in the same building as his supervisor.

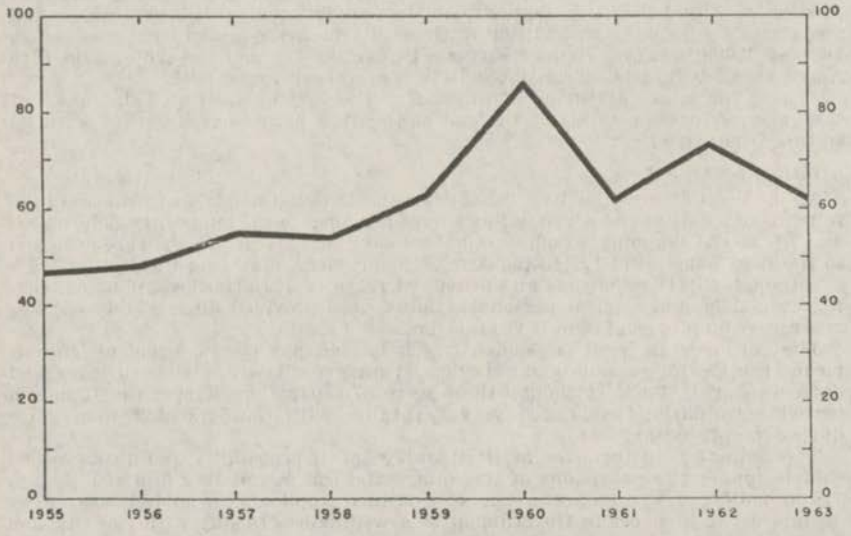
It is hoped that the additional help in conserving manpower will be the establishment of the legal index to briefs, opinions and memorandums prepared on the many complicated and difficult legal questions which have arisen during the past few years in connection with the preparation for trial, trial and appeal of antitrust cases. The first edition of the legal index, which was a pilot effort, was issued in December 1962. A second and more complete index was being readied for printing at the close of the year.

Reorganization of the Division

Shortly after the close of the 1963 fiscal year, the Division was reorganized in order to lay greater emphasis upon the long-range policy planning activities within the Division than had previously existed. Under the reorganization, the sections primarily concerned with litigation were made directly responsible to the First Assistant; those sections whose functions relate more to the formulation of policy were placed under the supervision of the Director of Policy Planning, who occupies a new position in the Division. His responsibility is to formulate statements of Division-wide policy, to make recommendations for the maintenance of a well-balanced and effective enforcement program, and to suggest specific proposals for the implementation of basic policy objectives. The Director of Policy Planning reports directly to the First Assistant and the Assistand Attorney General. The position of Chief of Section Operations was abolished, and a new position of Second Assistant was established. The Second Assistant has some supervisory responsibilities over the litigating sections, particularly in the area of mergers, is the chief personnel officer of the Division and represents the Assistant Attorney General in various capacities and on numerous interagency committees. A new section, the Evaluation Section, has been established and is responsible to the Director of Policy Planning. The primary responsibility of this section is to make a continuing assessment of the Division's enforcement program with a view to making recommendations as to how it may be enlarged and made more effective. The field offices will continue to report to the Chief of Field Operations who, in turn, is directly responsible to the First Assistant.

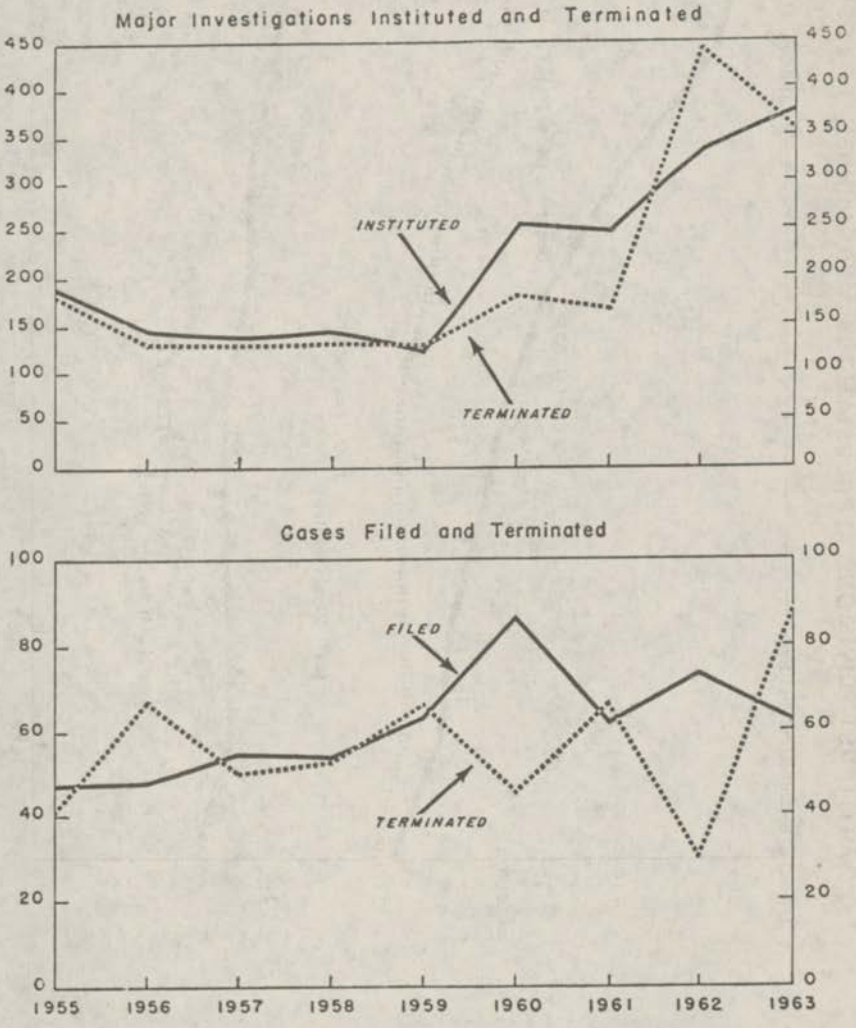
ANTITRUST CASES FILED

Fiscal Years 1955-1963



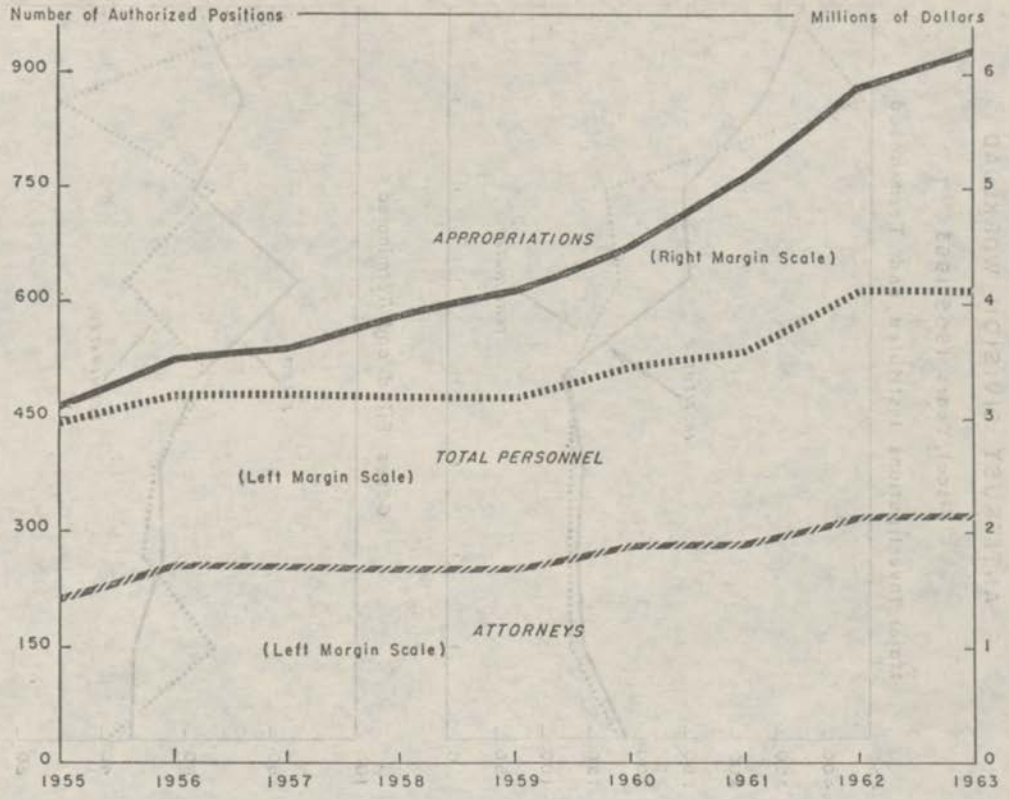
ANTITRUST DIVISION WORKLOAD

Fiscal Years 1955-1963

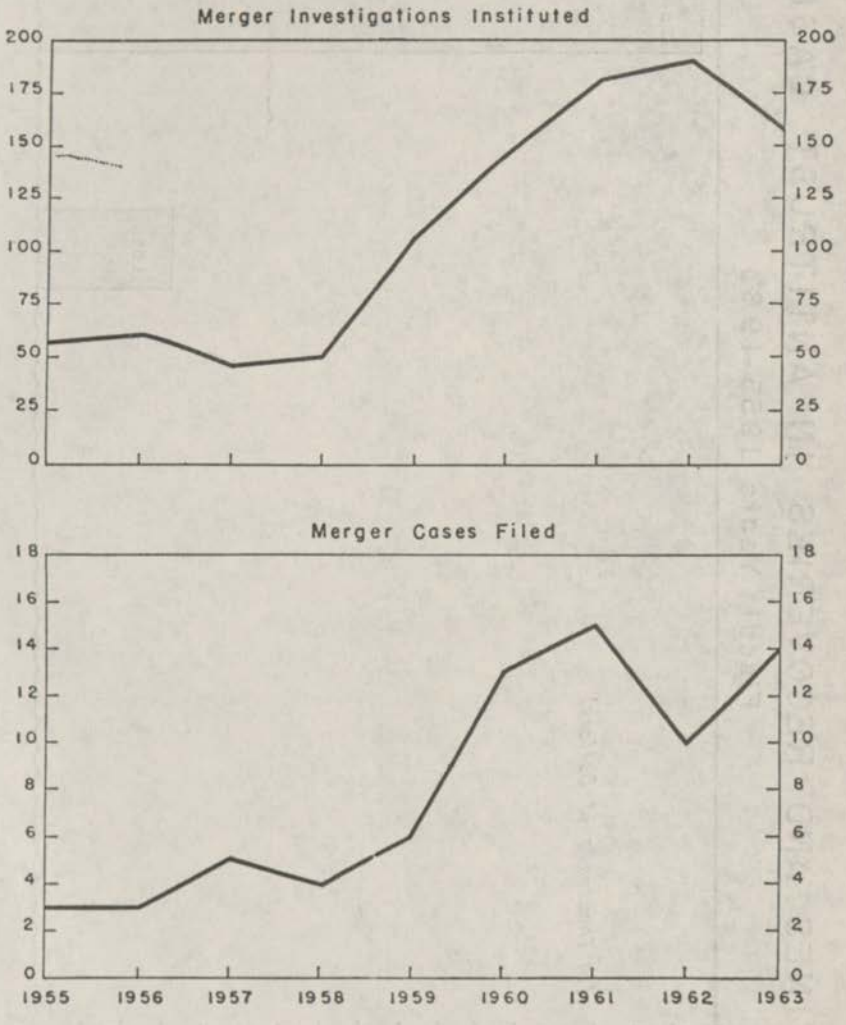


ANTITRUST DIVISION APPROPRIATIONS AND NUMBER OF POSITIONS

Fiscal Years 1955-1963



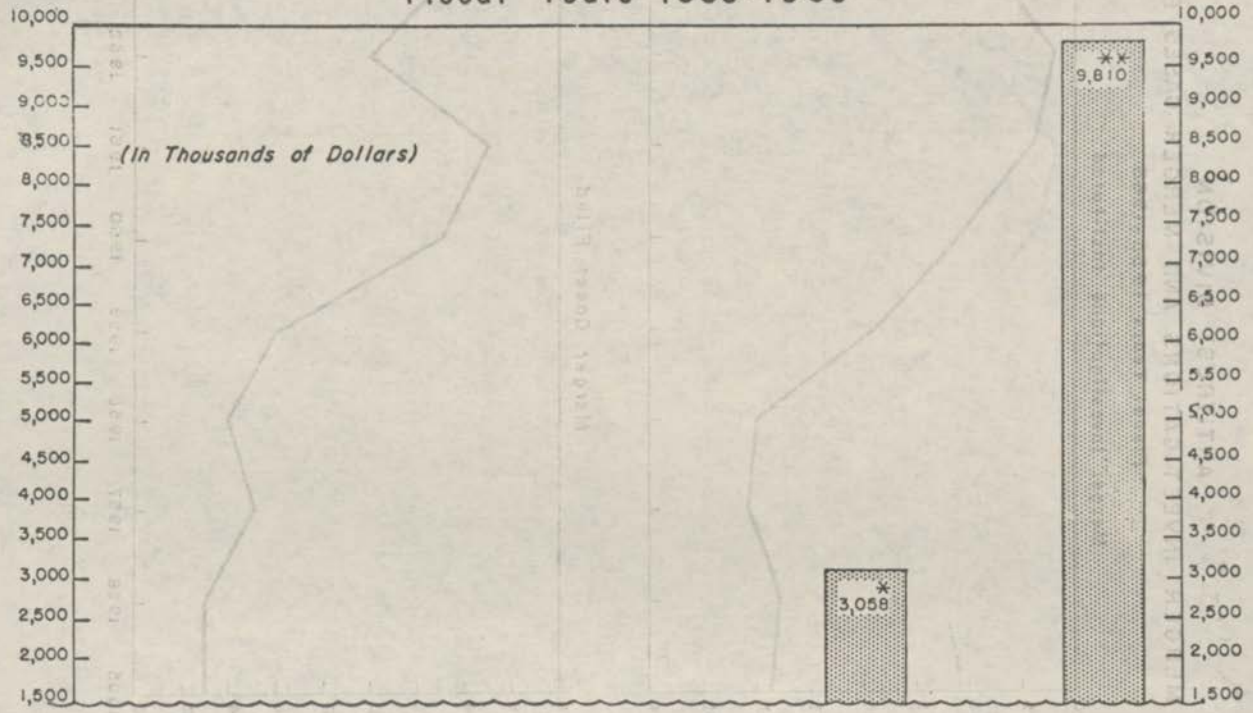
ANTITRUST DIVISION
MERGER INVESTIGATIONS AND MERGER CASES FILED
Fiscal Years 1955-1963

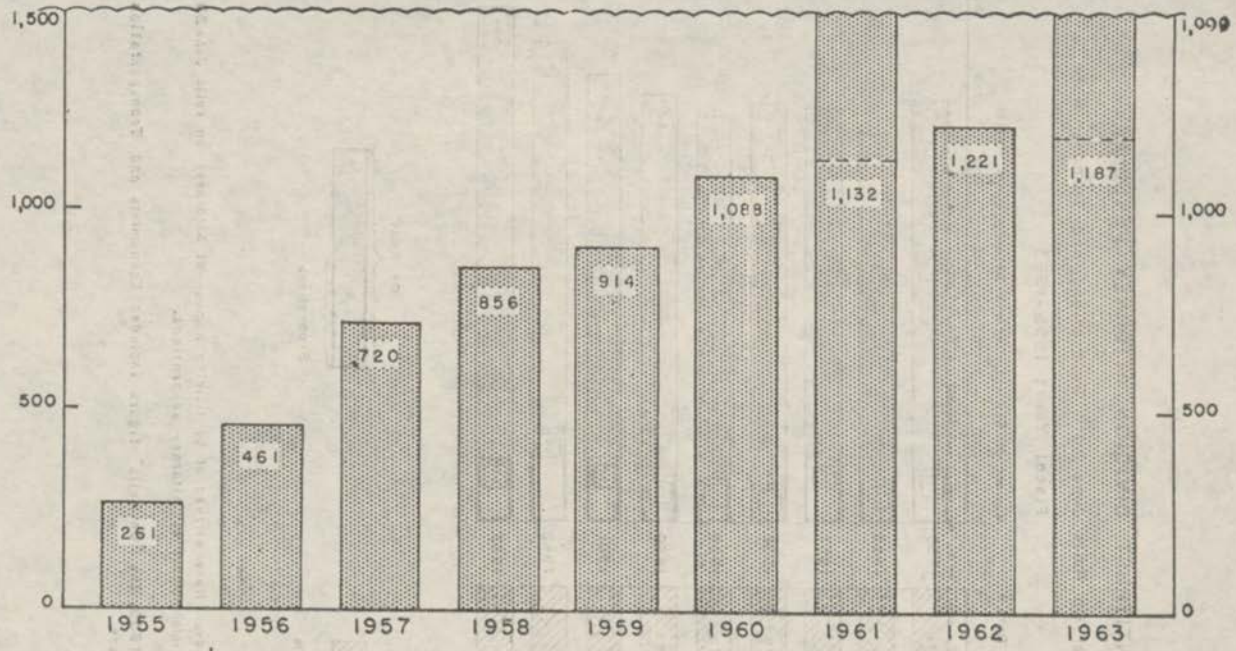


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FINES AND RECOVERIES IN ANTITRUST CASES

Fiscal Years 1955-1963





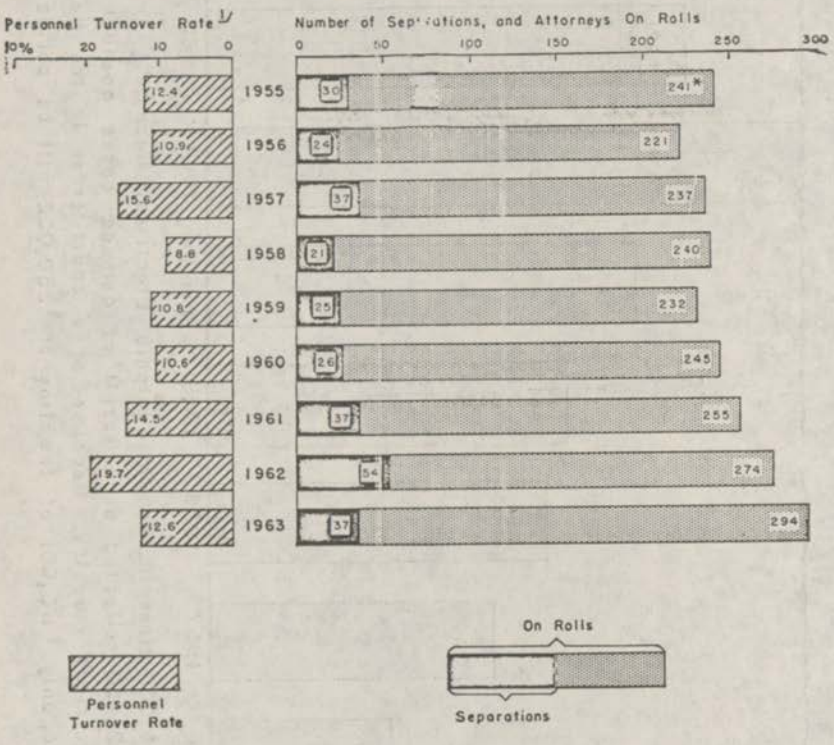
* Includes $1,926,000 fines in the Philadelphia Electrical Cases.

** Includes $8,622,450 collected as a result of damage cases against members of the heavy electrical industry. Because of a court order in the North American Van Lines case, only $115,001 of the fine of $230,002 will be collected.

ANTITRUST DIVISION ATTORNEY PERSONNEL

Number On Rolls June 30th, Separations, and Turnover Rate

Fiscal Years 1955-1963



1/ Personnel Turnover Rate arrived at by dividing number of Attorneys on rolls June 30 of each year into number of Attorney separations.

* For the year 1955, the "On Rolls" figure includes Economists and Transportation Rate Examiners.

Antitrust cases instituted July 1, 1962, through June 30, 1963

Blue Book	Title of case	Industry or commodity	Filed
			1962
[1] 1689	Associated Asbestos, Inc., et al., criminal, western district of Washington.	Insulation materials	Jul. 10
[1] 1689A	Brower Asbestos Co., criminal, western district of Washington.	do	Aug. 8
1690	Packaging Corporation of America et al., criminal, western district of Michigan.	Pulpwood	Jul. 11
1691	Pakaging Corporation of America et al., civil, western district of Michigan.	do	Do.
[1] 1692	I-T-E Circuit Breaker Company et al., civil, eastern district of Pennsylvania.	Navy and marine switchgear	Jul. 13
[1] 1693	U.S. & TVA *v.* Federal Pacific Electric Company et al., civil, eastern district of Pennsylvania.	Power switching equipment	Do.
[1] 1694	H. K. Porter Company, Inc., et al., civl, eastern district of Pennsylvania.	Isolated phase buses	Do.
1695	MCA, Inc., civil, southern district of California	Talent agency contracts and films, TV shows.	Do.
1696	Johns-Manville Corp. et al., civil, eastern district of Pennsylvania.	Asbestos-cement pipe and couplings.	Jul. 25
1697	Parents Magazine Enterprises, Inc., et al., civil, northern district of Illinois.	Books	July 27
1698	American Machine & Foundry Co., Inc., et al., civil southern district of New York.	Automatic pinsetters	July 30
1699	The Elgin Corp. et al., civil, northern district of Illinois.	Street cleaning and garbage machines and trucks.	Aug. 9
[1] 1700	H. P. Hood & Sons, Inc., et al., civil, district of Massacuhsetts.	Milk	Aug. 10
1701	Thrifty Drug Stores Co., Inc., et al., civil, southern district of California.	Drugstores	Aug. 13
1702	The House of Seagram, Inc., et al., criminal, southern district of Florida.	Alcoholic beverages	Aug. 24
1703	Crown Liquors of Fort Lauderdale, Inc., et al., criminal, southern district of Florida.	do	do.
1704	The House of Seagram, Inc., et al., civil, southern district of Florida.	do	do.
[1] 1705	Carnation Company of Washington et al., civil, eastern district of Washington.	Milk and milk products	Aug. 28
1706	Price Building Specialties, Inc., et al., criminal, northern district of California.	Washroom partitions	Aug. 29
1707	General Motors Corporation et al,. civil, southern district of California.	Automobiles	Aug. 30
1708	Carlon Products Corporation et al., criminal, southern district of Ohio.	Acrylonitrile-butadiene-styrene (ABS) plastic pipe.	Sept. 5
1709	Triangle Conduit & Cable Co., Inc., et al., criminal, southern district of Ohio.	Polyethylene plastic pipe	Do.
1710	The B. F. Goodrich Company et al., criminal, southern district of Ohio.	Polyvinyl chloride (PVC) plastic pipe.	Do.
[1] 1658A	H. P. Hood & Sons, Inc., et al., criminal, district of Massachusetts.	Milk	Sept. 6
1711	Anaconda American Brass Company et al., criminal, district of Connecticut.	Brass mill tube and pipe	Sept. 12
1712	Lone Star Cadillac Company, civil, northern district of Texas (Dallas).	Cadillac automobiles	Sept. 24
1713	Stauffer Chemical Company et al., civil, eastern district of Pennsylvania.	Industrial chemicals	Oct. 3
1714	Richfield Oil Corporation et al., civil, southern district of California.	Crude oil and petroleum products.	Oct. 9
1715	Aluminum Company of America et al., criminal, eastern district of Pennsylvania.	Aluminum conductor cable	Oct. 31
1716	General Dynamics Corporation, civil, southern district of New York.	Carbon dioxide	Nov. 8
1717	Chicago Title and Trust Company et al., civil, western district of Missouri.	Title insurance	Nov. 9
1718	Band-It Company et al., criminal, district of Colorado.	Banding devices	Nov. 15
1719	Band-It Company et al., civil, district of Colorado.	do	Do.
1720	Minneapolis-Honeywell Regulator Co. et al., criminal, district of Minnesota.	Pneumatic temperature control systems.	Nov. 29
1721	Minneapolis-Honeywell Regulator Co. et al., civil, district of Minnesota.	do	Do.
1722	Anaconda American Brass Company et al., civil, district of Connecticut.	Brass mill tube and pipe	Dec. 4
[1] 1723	Flynn-Learner et al., civil, district of Hawaii	Scrap metal	Dec. 11
1724	Tubesales et al., criminal, district of Oregon	Stainless steel tube and pipe	Dec. 19
1725	Tubesales, et al., civil, district of Oregon	do	Do.
1726	The H.E. Koontz Creamery, Inc., et al., criminal district of Maryland.	Milk and milk products	Dec. 20
1727	F. & M. Schaefer Brewing Company et al., civil eastern district of New York.	Beer	Do.
1728	The H. E. Koontz Creamery, Inc., et al., civil, district of Maryland.	Milk and milk products	Dec. 21

See footnotes at end of table.

Antitrust cases instituted July 1, 1962, through June 30, 1963—Continued

Blue Book	Title of case	Industry or commodity	Filed
1729	The Valley National Bank of Arizona et al., civil, district of Arizona.	Commercial banking	Dec. 28
1730	Metro Associated Services, Inc., civil, northern district of Iowa.	Advertising mats	Do.
1731	Stamps-Conhaim-Whitehead, Inc., civil, northern district of Iowa.	do	Do.
1732	Newmont Mining Corporation et al. ,civil, southern district of New York.	Copper products	Dec. 31 *1963*
1733	General Motors Corporation, civil, northern district of Illinois.	Railroad locomotives	Jan. 14
1734	The Duluth Clearing House Association et al., criminal, district of Minnesota.	Commercial banking	Feb.
1735	The First National Bank of Saint Paul et al., criminal, district of Minnesota.	do	Do.
1736	Northwestern National Bank of Minneapolis et al., criminal, district of Minnesota.	do	Do.
1737	Northwestern National Bank of Minneapolis et al., civil, district of Minnesota.	do	Do.
1738	The First National Bank of Saint Paul et al., civil, district of Minnesota.	do	Feb. 1
1739	The Duluth Clearing House Association et al., civil, district of Minnesota.	do	Do.
1740	Ingersoll-Rand Company et al., civil, western district of Pennsylvania.	Coal mining machinery	Mar. 14
1741	Goldring Packing Co., Inc., et al., criminal, southern district of California.	Fresh meat	Mar. 14
1742	H. P. Hood & Sons, Inc., et al., criminal, district of Massachusetts.	Milk	Feb. 15
1743	United States Steel Corporation et al., criminal, southern district of New York.	Wrought steel wheels	Apr. 2
1744	Taylor Forge and Pipe Works et al., criminal, southern district of New York.	Rolled steel pipe flanges and rings	Do.
1745	Branch River Wool Combing Company, Inc., et al., civil, district of Rhode Island.	Wool	May 13
1746	Cities Service Company et al., civil, district of Delaware.	Ammonia	May 29
1747	FMC Corporation et al., civil, northern district of California.	Industrial chemicals	June 5
1748	Nachman Corporation et al., criminal, eastern district of Missouri.	Bedsprings	June 6
1749	Sperry Rand Corporation et al., criminal, northern district of Illinois.	Library shelving	June 20
1750	Sperry Rand Corporation et al., civil, northern district of Illinois.	do	Do.

[1] Count as 1 case.
[2] Damage cases.
[3] Substituted for Hood Criminal, Blue Book No. 1658, and not counted as a new case.

Criminal antitrust cases closed July 1, 1962, through June 30, 1963

Blue Book	Name	Blue Book	Name
	WON		WON—continued
1451	San Diego Grocers Association, Inc., et al.	1632	Packard-Bell Electronics Corporation et al.
1654	Carnation Company of Washington et al.		
1668	Standard Pressed Steel Company et al.	1613	Hubbard and Company et al.
1610	Avdel, Inc., et al.	[1] 1689	Associated Asbestos, Inc., et al.
1469	Brunswick-Balke-Collender Company et al.	[1] 1689A	Brower Asbestos Company.
1706	Price Building Specialties, Inc., et al.		LOST
1645	Connecticut Package Stores Association, Inc., et al.	1630	Huck Manufacturing Company et al.
1575	Northern California Pharmaceutical Association et al.	1628	General Motors Corporation et al.
1678	J. L. Hammett Company et al.	1690	Packaging Corporation of America et al.
1679	Kurtz Brothers et al.	1703	Crown Liquors of Fort Lauderdale, Inc. et al.
1671	Handy & Harman et al.		
1718	Band-It Company et al.		DISMISSED BY GOVERNMENT
1411	Beatrice Foods Company et al.		
1615	North American Van Lines, Inc., et al.	1637	Victor D. Kniss et al.
1384	American Natural Gas Company et al.		

[1] Count as 1 case.

Criminal antitrust cases closed by pleas, July 1, 1962, through June 30, 1963

Blue Book	Name of case	Pleas
1654	Carnation Company of Washington et al	Nolo contendere.
[1] 1689A	Brower Asbestos Co	Do.
1668	Standard Pressed Steel Company et al	Do.
1469	Brunswick-Balke-Collender Company et al	Do.
1706	Price Building Specialties, Inc., et al	Nolo contendere and guilty pleas.
1645	Connecticut Package Stores Association, Inc., et al	Nolo contendere.
1678	J. L. Hammett Company et al	Do.
1679	Kurtz Brothers et al	Guilty pleas.
1671	Handy & Harman et al	Nolo contendere.
1718	Band-It Company et al	Do.
1615	North American Van Lines, Inc., et al	Do.
1384	American Natural Gas Company et al	Do.
1632	Packard-Bell Electronics Corporation et al	Do.
1613	Hubbard and Company et al	Do.
[1] 1689	Associated Asbestos, Inc., et al	

[1] Count as 1 case.

Criminal antitrust cases terminated by litigation July 1, 1962, through June 30, 1963

Blue Book	Name	Blue Book	Name
	WON		LOST
1451	San Diego Grocers Association, Inc., et al.	1630	Huck Manufacturing Company et al.
1610	Avdel, Inc., et al.	1628	General Motors Corporation et al.
1575	Northern California Pharmaceutical Association et al.	1690	Packaging Corporation of America, et al.
1411	Beatrice Foods Company et al.	1703	Crown Liquors of Fort Lauderdale Inc., et al.

Antitrust cases in which fines were imposed and recoveries made, July 1, 1962, through June 30, 1963

Name	Commodity	Fines	
		Amount	Pleas
Standard Pressed Steel Co. et al	Internal wrenching bolts	$4,000	Nolo contendere.
Electrical Damage cases	(Damage cases settlements)	8,622,450	
Carnation Company of Washington et al.	Milk and milk products	42,500	Do.
Associated Asbestos, Inc. et al.[1]	Insulation materials	70,500	Do.
Brower Asbestos Company [1]	do	15,000	Do.
McGraw-Edison Company, et al	Lightning arresters	8	Nunc pro tunc.
Handy & Harman et al	Silver Mill products	32,000	Guilty.
Bethlehem Steel Company, et al	Open die steel forgings	44,000	Nolo contendere.
Brunswick-Balke-Collender Company et al.	Folding gymnasium bleachers	12,000	Do.
Price Building Specialties, Inc., et al	Washroom partitions	19,600	Do.
Connecticut Package Stores Association, Inc., et al.	Alcoholic beverages	8,900	Nolo contendere and guilty
Greater New York Roll Bakers Association, Inc., et al.	Frankfurter and hamburger rolls	12,500	Nolo contendere.
Band-It Company, et al	Banding devices	10,000	Do.
J. L. Hammett Company et al	School supplies	30,750	Do.
Kurtz Brothers et al	do	101,250	Do.
Englehard-Hanovia, Inc., et al	Brazing alloys	1,000	Do.
Packard-Bell Electronics Corporation et al.	Flush doors	26,650	Nolo contendere ($1,200 suspended).[2]
Anaconda American Brass Company et al.	Brass mill tube and pipe	198,000	Nolo contendere.
Tubesales et al	Stainless steel pipe and tubing	20,000	Do.
North American Van Lines, Inc., et al. [2]	Moving household goods	230,002	Do.
American Natural Gas Company et al.	Natural gas	300,000	Do.
Hubbard and Company et al	Pole line hardware	8,750	Do.
Total		9,809,860	

[1] Counts as 1 case.
[2] Only $115,001 will be collected.

Civil antitrust cases closed July 1, 1962, through June 30, 1963

Blue Book	Name
	WON
1552	Dempster Brothers et al.
1488	Renault, Inc., et al.
1677	Greater Washington Service Station Association, Inc.
1685	Allied Appliance Company.
1534	The Spring-Air Company.
1652	Western Winter Sports Representatives Association, Inc.
1617	Suburban Gas.
1540	Allen-Bradley Company et al.
1530	Allis-Chalmers Manufacturing Company et al.
1542	Cutler-Hammer, Inc., et al.
1549	General Electric Company et al.
1526	Do.
1522	I-T-E Circuit Breaker Company et al.
1508	Lapp Insulator Company, Inc., et al.
1528	McGraw-Edison Company et al.
1497	Westinghouse Electric Corporation et al.
1524	Do.
1695	MCA, Inc.
1588	Koppers Company, Inc., et al.
1619	Borg-Warner Corp. et al.
1424	General Electric Company et al.
1577	The General Fireproofing Co. et al.
1578	Sperry Rand Corporation et al.
1579	The Shaw-Walker Company et al.
1494	Carter Products, Inc., et al.
1470	Brunswick-Balke-Collender Co. et al.
1713	Stauffer Chemical Co. et al.
1501	I-T-E Circuit Breaker Company et al.
1551	Foster-Wheeler Corp. et al.
1567	Sangamo Electric Co. et al.
1608	Kaiser-Aluminum and Chemical Corp. et al.
1595	Utah Pharmaceutical Association.
1485	National Homes Corporation.
1448	Los Angeles Meat and Provision Drivers Union, Local 626, International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America, et al.
1503	Ohio Brass Company et al.
1505	McGraw-Edison Company et al.
	WON—continued
1520	H. K. Porter Company, Inc., et al.
1499	General Electric Company et al.
1325	United Scenic Artists, Local 829, of the Brotherhood of Painters, Decorators & Paperhangers of America.
1538	Arizona Pharmaceutical Association et al.
1655	Holiday On Ice Shows, Inc., et al.
1697	Parents Magazine Enterprises, Inc., et al.
1719	Band-It Company et al.
1398	National Alfalfa Dehydrating & Milling Company et al.
1331	Loew's Incorporated.
1333	C & C Super Corporation.
1334	Screen Gems, Incorporated.
1335	Associated Artists Productions, Inc.
1336	National Telefilm Associates, Inc.
1337	United Artists Corporation.
1594	Idaho State Pharmaceutical Association, Inc.
1580	Northern California Pharmaceutical Association.
1518	Federal Pacific Electric Company et al.
1559	Cornell-Dubilier Electric Corporation et al.
1598	Chrysler Corporation et al.
1471	Diebold, Inc., et al.
1712	Lone Star Cadillac Company.
1491	San Diego Grocers Association, Inc., et al.
1646	Connecticut Package Stores Association Inc., et al.
1537	Los Angeles Meat and Provision Drive Union, Local 626.
1090	The Borden Company et al.
1746	Cities Service Company et al.
	LOST
1181	Pan American World Airways, Inc., et al.
1545	Bliss & Laughlin, Incorporated.
	DISMISSED BY GOVERNMENT
1553	Cunningham Drug Stores, Incorporated

Civil antitrust cases terminated by litigation July 1, 1962, through June 30, 1963

Blue book	Name
	WON
1588	Koppers Company, Inc., et al.
1448	Los Angeles Meat and Provision Drivers Union, Local 626, International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America, et al.
1595	Utah Pharmaceutical Association.
1331	Loew's Incorporated.
1333	C & C Super Corporation.
1334	Screen Gems, Incorporated.
1335	Associated Artists Productions, Inc.
1336	National Telefilm Associates, Inc.
1337	United Artists Corporation.
1491	San Diego Grocers Association, Inc., et al
1090	The Borden Company et al.
	LOST
1181	Pan American World Airways, Inc., et al.
1545	Bliss & Laughlin, Incorporated.

Blue Book	Title of case	Date filed and district	Fiscal 1963 date
1552	Dempster Brothers et al	June 30, 1960, eastern district of Tennessee.	July 6, 1962
1488	Renault, Inc., et al	Dec. 29, 1959, southern district of New York.	July 30, 1962
1677	Greater Washington Service Station Association, Inc.	June 27, 1962, District of Columbia district.	Do.
1685	Allied Appliance Company	June 29, 1962, district of Massachusetts.	Do.
1534	The Spring-Air Company	May 31, 1960, northern district of Illinois.	Aug. 16, 1962
1652	Western Winter Sports Representatives Association, Inc.	Mar. 7, 1962, northern district of California.	Aug. 31, 196
1617	Suburban Gas	July 11, 1961, southern district of California.	Sept. 17, 1962
1540	Allen-Bradley Company et al	June 22, 1960, eastern district of Pennsylvania.	Oct. 1, 1962
1530	Allis-Chalmers Manufacturing Company et al.	May 25, 1960, eastern district of Pennsylvania.	Do.
1542	Cutler-Hammer, Inc., et al	June 23, 1960, eastern district of Pennsylvania.	Do.
1549	General Electric Company et al	June 29, 1960, eastern district of Pennsylvania.	Do.
1526	General Electric Company et al	May 25, 1960, eastern district of Pennsylvania.	Do.
1522	I-T-E Circuit Breaker Company et al	May 19, 1960, eastern district of Pennsylvania.	Do.
1508	Lapp Insulator Company, Inc., et al	Feb. 17, 1960, eastern district of Pennsylvania.	Do.
1528	McGraw-Edison Company et al	May 25, 1960, eastern district of Pennsylvania.	Do.
1497	Westinghouse Electric Corporation et al	Feb. 16, 1960, eastern district of Pennsylvania.	Do.
1524	Westinghouse Electric Corporation et al	May 25, 1960, eastern district of Pennsylvania.	Do.
1695	MCA, Inc	July 13, 1962, southern district of California.	Oct. 18, 1962
1619	Borg-Warner Corporation et al	July 27, 1961, southern district of Texas.	Oct. 22, 1962
1424	General Electric Company et al	Nov. 24, 1958, southern district of New York.	Nov. 1, 1962
1577	The General Fireproofing Co. et al	Dec. 28, 1960, western district of New York.	Nov. 9, 1962
1578	Sperry Rand Corporation et al	do	Do.
1579	The Shaw-Walker Company et al	do	Do.
1494	Carter Products, Inc., et al	Jan. 27, 1960, southern district of New York.	Do.
[1] 1470	Brunswick-Balke-Collender Company et al.	July 30, 1959, eastern district of Wisconsin.	Nov. 19, 1962
[1] 1713	Stauffer Chemical Company et al	Oct. 3, 1962, eastern district of Pennsylvania.	Nov. 20, 1962
1501	I-T-E Circuit Breaker Company et al	Feb. 16, 1960, eastern district of Pennsylvania.	Nov. 21, 1962
1551	Foster-Wheeler Corporation et al	June 29, 1960, eastern district of Pennsylvania.	Do.
1567	Sangamo Electric Company et al	Oct. 20, 1960, eastern district of Pennsylvania.	Do.
[1] 1608	Kaiser Aluminum & Chemical Corporation et al.	Apr. 27, 1961, eastern district of Missouri.	Nov. 28, 1962
1485	National Homes Corporation	Nov. 20, 1959, northern district of Indiana.	Dec. 1, 1962
1503	Ohio Brass Company et al	Feb. 17, 1960, eastern district of Pennsylvania.	Dec. 31, 1962
1505	McGraw-Edison Company et al	do	Do.
1520	H. K. Porter Company, Inc., et al	May 19, 1960, eastern district of Pennsylvania.	Do.
1499	General Electric Company et al	Feb. 16, 1960, eastern district of Pennsylvania.	Do.
1325	United Scenic Artists Local 829 of the Brotherhood of Painters, Decorators & Paperhangers of America.	Mar. 5, 1957, southern district of New York.	Jan. 21, 1963
1538	Arizona Pharmaceutical Association et al	June 21, 1960, district of Arizona	Jan. 22, 1963
1697	Parents Magazine Enterprises, Inc., et al	July 27, 1962, northern district of Illinois.	Jan. 28, 1963
1655	Holiday On Ice Shows, Inc., et al	Mar. 27, 1962, western district of Pennsylvania.	Jan. 29, 1963
1719	Band-It Company et al	Oct. 15, 1962, district of Colorado	Mar. 15, 1963
1398	National Alfalfa Dehydrating & Milling Company et al.	June 27, 1958, district of Colorado	Do.
1594	Idaho State Pharmaceutical Association, Inc.	Mar. 6, 1961, district of Idaho	Apr. 5, 1963
1580	Northern California Pharmaceutical Association.	Dec. 28, 1960, southern district of California.	Apr. 9, 1963

See footnote at end of table.

Antitrust consent decrees, July 1, 1962, through June 30, 1963—Continued

Blue Book	Title of case	Date filed and district	Fiscal 1963 date
1518	Federal Pacific Electric Company et al.	May 19, 1960, eastern district of Pennsylvania.	Apr. 18, 1963
1559	Cornell-Dubilier Electric Corporation et al.	Sept. 15, 1960, eastern district of Pennsylvania.	Do.
[1] 1598	Chrysler Corporation et al.	Apr. 7, 1961, northern district of Indiana.	Apr. 23, 1963
1471	Diebold, Inc., et al.	Aug. 24, 1959, southern district of Ohio.	May 10, 1963
1712	Lone Star Cadillac Company	Sept. 24, 1962, northern district of Texas.	Do.
1646	Connecticut Package Stores Association, Inc., et al.	Jan. 30, 1962, district of Connecticut	June 4, 1963
1537	Los Angeles Meat and Provision Drivers Union, Local 626.	June 17, 1960, southern district of California.	June 17, 1963
1746	Cities Service Company et al.	May 29, 1963, district of Delaware	June 29, 1963

[1] Consent order granting Government relief.

Antitrust cases in the Supreme Court, July 1, 1962, through June 30, 1963

FILED

The Singer Manufacturing Company
El Paso Natural Gas Company et al.
Ward Baking Company et al.
First National Bank & Trust Company of Lexington et al.
Minnesota Mining and Manufacturing Company

TERMINATED

WON

Brown Shoe Company et al.
National Dairy Products Company et al.
Diebold, Incorporated
The Borden Company et al.
A. P. Woodson Company et al.
Los Angeles Meat & Provision Drivers Union, Local 626, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America et al.
Raymond Wise
Loew's, Incorporated

LOST

Pan American World Airways, Inc., et al.[1]
Pan American World Airways, Inc., et al.[1]
White Motor Company

Antitrust cases in the court of appeals, July 1, 1962, through June 30, 1963

FILED

Lever Brothers Company et al.
Minnesota Mining and Manufacturing Company
North American Van Lines, Inc., et al.
Ingersoll-Rand Company et al.
FMC Corporation et al.

TERMINATED

WON

Northern California Pharmaceutical Association et al.
Beatrice Foods Company et al.
Lever Brothers Company et al.
North American Van Lines, Inc., et al.
Ingersoll-Rand Company et al.

LOST

Standard Oil Company et al.
Minnesota Mining and Manufacturing Company

[1] Two separate appeals and counted as two cases in Supreme Court only.

Cases tried or at trial, July 1, 1962, through June 30, 1963

Title of case	Date filed	Date trial began	Date trial ended
Arnold, Schwinn & Co. et al., northern district of Illinois, civil 59-C-489	June 30, 1958	Sept. 10, 1962	[1] Feb. 26, 1963
Bank Stock Corporation of Milwaukee, Inc., et al., eastern district of Wisconsin, civil 61-C-54	Mar. 2, 1961	June 24, 1963	[2]
Crown Liquors of Fort Lauderdale, Inc., et al., southern district of Florida, criminal 407-62-M-CR	Aug. 24, 1962	do	June 28, 1963
El Paso Natural Gas Company et al., district of Utah, civil 143-57	July 22, 1957	Sept. 4, 1962	Sept. 11, 1962
Flynn-Learner et al., district of Hawaii, criminal 11735	June 25, 1962	June 20, 1963	June 26, 1963
General Motors Corporation et al., southern district of California, criminal 30132	Oct. 12, 1961	Nov. 29, 1962	Mar. 14, 1963
The House of Seagram, Inc. et al., southern district of Florida, criminal 406-62-M-CR	Aug. 24, 1962	June 3, 1963	[3] June 14, 1963
Huck Manufacturing Company et al., eastern district of Michigan, criminal 39017	Oct. 24, 1961	Feb. 26, 1963	Mar. 12, 1963
Huck Manufacturing Company et al., eastern district of Michigan, civil 21-791	do	Apr. 22, 1963	[2]
Lever Brothers Company et al., southern district of New York, civil 135-219	July 8, 1958	Jan. 7, 1963	Jan. 21, 1963
National Dairy Products Corporation et al., western district of Missouri, criminal 20542	Sept. 16, 1959	June 13, 1963	[2]
Packaging Corporation of America et al., western district of Michigan, criminal 6885	July 11, 1962	June 17, 1963	June 21, 1963
Packard-Bell Electronics Corporation et al., southern district of California, criminal 30158	Oct. 25, 1961	Apr. 9, 1963	Apr. 18, 1963
San Diego Grocers Association, Inc. et al., southern district of California, civil 2347-SDK	Dec. 31, 1959	Dec. 10, 1962	Dec. 10, 1962
Von's Grocery Company et al., southern district of California, civil 336-60-AS	Mar. 25, 1960	June 11, 1963	June 15, 1963
Ward Baking Company et al., eastern district of Pennsylvania, criminal 21123	June 27, 1962	Apr. 22, 1963	May 20, 1963

[1] Oral argument set for September.
[2] Not completed.
[3] Retrial to start Jul 1, 1963.

Antitrust cases pending, June 30, 1963

Date filed	Name of case	Type and district	Commodity	Status
Apr. 21, 1953	Standard Oil Co. (N.J.) et al.	Civil, southern district of New York.	Petroleum and petroleum products.	Case pending as to 2 defendants as 3 defendants have entered consent judgments.
Mar. 10, 1954	Schine Chain Theatres, Inc., et al.	Civil, western district of New York.	Theaters and motion pictures.	FBI investigation to be made to determine competitive picture in divestiture towns.
Oct. 19, 1954	The Watchmakers of Switzerland Information Center, Inc., et al.	Civil, southern district of New York.	Jeweled watches and repair parts.	Government has filed proposed judgment.
Nov. 28, 1955	Brown Shoe Co., Inc., et al.	Civil, eastern district of Missouri.	Shoes	Defendants are in process of disposing of Kinney stock.
Dec. 2, 1955	Federation Suisse des Associations de Fabricants D'Horlogerie et al.	Civil, southern district of New York.	Watchmaking machinery	Deferred pending disposition of watchmakers of Switzerland.
July 6, 1956	General Motors Corporation	Civil, eastern district of Michigan.	Buses	Government has filed a motion to produce certain cost, profit, pricing, and financial data.
Sept. 10, 1956	Continental Can Co., Inc., et al.	Civil, southern district of New York.	Containers	Appeal by Government noted.
Oct. 30, 1956	Continental Can Co., Inc.	do	do	Since opinion in above case court has authorized discovery. Discovery proceeding in progress.
Dec. 4, 1956	Owens-Illinois Glass Co.	Civil, northern district of Ohio.	do	Proposed consent judgment filed June 7, 1963, will be final in 30 days.
Dec. 5, 1956	Driver-Harris Co. et al.	Civil district of New Jersey	Electrical alloy resistance wire.	Consent decree negotiations in progress.
July 22, 1957	El Paso Natural Gas Co. et al.	Civil, district of Utah	Natural gas	Government has appealed to Supreme Court.
May 28, 1956	Charles Pfizer & Company, Inc.	Civil, eastern district of New York.	Citric acid	Consent decree negotiations in progress.
June 30, 1958	The White Motor Company	Civil, nothern district of Ohio.	Heavy duty trucks	Supreme Court reversed district court. Preparing for trial on remaining issue.
June 30, 1958	Arnold, Schwinn & Co. et al.	Civil, northern district of Illinois.	Bicycles and parts and accessories.	Trial completed and final argument set for September 9, 1963.
July 8, 1958	Lever Brothers Co. et al.	Civil, southern district of New York.	Synthetic detergents	Government has filed notice of appeal to Supreme Court.
Oct. 7, 1958	Srandard Oil Co. et al. (South Bend)	Criminal, northern district of Indiana.	Gasoline	Circuit court of appeals reversed district court and remanded case for retrial. 1 defendant dismissed by circuit court of appeals.
Mar. 11, 1959	Greater Blouse, Skirt & Neckwear Contractors Association, Inc., et al.	Criminal, southern district of New York.	Contractors-jobbers ladies' blouses.	Off calendar pending disposition of civil case.
June 22, 1959	Kennecott Copper Corp.	Civil, southern district of New York.	Copper	Preparing for trial, tentatively set for November.
Sept. 16, 1959	National Dairy Products Corp. et al.	Criminal, western district of Missouri.	Milk	Trial began June 13, 1963.
Oct. 1, 1959	Pabst Brewing Co. et al.	Civil, eastern district of Wisconsin.	Beer	Trial to start Oct. 14, 1963.
Oct. 16, 1959	General Motors Corporation	Civil, northern district of Ohio.	Earth-moving equipment	Preparing for trial and reviewing material obtained from a survey of the industry.
Dec. 22, 1959	The Singer Manufacturing Co.	Civil, southern district of New York.	Sewing machines	Supreme Court opinion in favor of Government June 17, 1963.
Jan. 11, 1960	Southeast Texas Chapter, National Electrical Contractors Association et al.	Criminal, southern district of Texas.	Electrical contractors	Awaiting decision of court on discovery motions submitted May 16, 1960.

Feb. 15, 1960	National Steel Corp. et al	Civil, southern district of Texas.	Steel	Pretrial discovery of Government to be completed by July 1.
Mar. 25, 1960	Von's Grocery Co. et al	Civil, southern district of California.	Groceries	Trial completed June 15, 1963; briefs to be filed in July.
Apr. 1, 1960	Aluminum Co. of America et al	Civil, northern district of New York.	Wire and cable products	Government has appealed to Supreme Court.
May 31, 1960	Serta Associates, Inc	Civil, northern district of Illinois.	Mattresses	Discovery in progress.
Do	Sealy, Inc	do	do	Trial set for Dec. 2, 1963.
June 28, 1960	Union Carbide Corporation	Civil, western district of Missouri.	Prestone	Consent decree negotiations.
Do	Becton, Dickinson & Co	Civil, district of New Jersey	Hypodermic syringes	Witnesses are being interviewed in preparing for trial.
Aug. 25, 1960	West Virginia Pulp and Paper Company	Civil, southern district of New York.	Envelopes	Discovery proceedings in progress.
Oct. 5, 1960	American Cyanamid Company	do	Dicyandiamide (limestone)	Do.
Nov. 10, 1960	A P Parts Corp. et al	Civil, northern district of Ohio.	Automotive exhaust system and parts.	Pretrial conferences being held.
Dec. 9, 1960	Phillips Petroleum Co. et al	Civil, southern district of California.	Petroleum products	Consent decree negotiations.
Jan. 6, 1961	Greater Buffalo Press, Inc., et al	Civil, western district of New York.	Color comic supplements	Awaiting setting a trial date.
Do	Penn-Olin Chemical Co. et al	Civil, district of Delaware	Sodium chlorate	Opinion for defendant and Government considering appeal.
Jan. 19, 1961	The General Cable Corporation	Civil, southern district of New York.	Wire and cables	Consent decree negotiations in progress.
Do	American Smelting and Refining Co. et al	do	do	Pretrial conference date to be set. Court has prohibited discovery on part of Government.
Feb. 25, 1961	The Philadelphia National Bank et al	Civil, eastern district of Pennsylvania.	Commercial banking	Reversed by Supreme Court in favor of Government, June 17, 1963.
Mar. 1, 1961	First National Bank and Trust Company of Lexington et al.	Civil, eastern district of Kentucky.	do	Supreme Court has noted jurisdiction on Government's appeal.
Mar. 2, 1961	Bank Stock Corporation of Milwaukee et al	Civil, eastern district of Wisconsin.	do	Trial began June 24, 1963, and recessed due to judges illness.
Mar. 14, 1961	General Electric Co., et al.[1]	Civil, eastern district of Pennsylvania.	Circuit breakers	Trial tentatively set for November 1963. Settlement as to 3 defendants; pending as to 2 defendants.
Apr. 11, 1961	U.S. & TVA *v.* Westinghouse Electric Corporation, et al.[1]	do	Power switchgear	Preparing for trial. Settlement as to 3 defendants; pending as to 2 defendants.
Do	do	do	Power transformers	Preparing for trial. Settlement as to 5 defendants; pending as to 1 defendant.
Do	U.S. & TVA *v.* General Electric Co., et al.	do	Turbine generators	Pretrial discovery. Settlement as to 2 defendants; pending as to 1 defendant.
Do	General Electric Company, et al.[1]	do	Distribution transformers	Pretrial discovery. Settlement as to 2 defendants; 4 dismissed; pending as to 1 defendant.
Do	Cutler-Hammer, Inc., et al.[1]	do	Low voltage distribution	Settlement as to 3 defendants; 2 dismissed; pending as to 1 defendant.
Do	I-T-E Circuit Breaker Co., et al.	do	Low voltage power circuit breakers.	Settlement as to 2 defendants; pending as to 1 defendant.
Apr. 12, 1961	General Motors Corporation	Criminal, northern district of Illinois.	Railroad locomotive	Discovery proceedings.

See footnote at end of table.

Antitrust cases pending, June 30, 1963—Continued

Date filed	Name of case	Type and district	Commodity	Status
Apr. 13, 1961	Grinnell Corporation et al	Civil, district of Rhode Island.	Fire and burlar alarms	Depositions being taken by staff.
Apr. 27, 1961	Aluminum Co. of America et al	Civil, eastern district of Missouri.	Architectural aluminum products	Pretrial proceedings.
Apr. 28, 1961	Kaiser Aluminum & Chemical Corp	Civil, district of Rhode Island.	Aluminum	Discovery proceedings.
May 16, 1961	A. P. Woodson Co. et al	Criminal, District of Columbia district.	Building materials	Trial set for Oct. 8, 1963.
Do	Continental Oil Co	Civil, district of New Mexico.	Crude oil	Preparing for trial, which should be in September.
July 11, 1961	Morton Salt Company et al	Civil, district of Minnesota	Rock salt	Consent by 1 defendant. Discovery proceedings.
July 21, 1961	Ward Baking Co. et al.[1]	Civil, southern district of Florida.	Bakery products	Government appealing to Supreme Court.
Aug. 1, 1961	American Optical Company et al	Criminal, eastern district of Wisconsin.	Eyeglass lenses	Case held in abeyance pending disposition of civil case.
Aug. 17, 1961	Chas. Pfizer & Co., Inc., et al	Criminal, southern district of New York.	"Wonder" drugs	Preparing for trial.
Aug. 19, 1961	Continental Illinois National Bank & Trust Company of Chicago et al.	Civil, northern district of Illinois.	Commercial banking	Preparing for pretrial. Judge assigned to case died.
Aug. 22, 1961	General Dynamics Corp. et al	Civil, eastern district of New York.	Carbon dioxide	Final judgment as to 1 defendant. Trial of remaining 3 defendants set for Sept. 9, 1963.
Sept. 8, 1961	Manufacturers Hanover Trust Company	Civil, southern district of New York.	Commercial banking	Defendant has to July 15, 1963, to reopen record in view of Supreme Court ruling in *Philadelphia Bank* case. All matters must be concluded by August 15, 1963.
Sept. 19, 1961	Standard Oil Company (Indiana) et al	Civil, northern district of California.	Crude oil	Parties working toward an August trial date.
Sept. 22, 1961	U.S. & TVA *v.* Ohio Brass Company et al.[1]	Civil, eastern district of Pennsylvania.	Insulators	Pretrial discovery. Settlement as to 4 defendants, 3 dismissed pending as to 2 defendants.
Oct. 24, 1961	Huck Manufacturing Co et al	Civil, eastern district of Michiga.	Lockbolts	Case submitted to court on record of criminal case.
Nov. 27, 1961	Ford Motor Company et al	do	Automotive electrical parts	Pretrial scheduled October to settrial after January 1, 1964.
Dec. 5, 1961	Engelhard-Hanovia, Inc., et al	Criminal, southern district of New York.	Brazing alloys	Preparing for trial as to 2 remaining defendanrs.
Dec. 6, 1961	America Corporation et al	Civil, southern district of California.	Film processing	Trial set for October 29, 1963.
Dec. 13, 1961	Minnesota Mining & Manufacturing Company	Criminal, eastern district of Illinois.	Pressure sensitive tape, magnetic recording tape, and aluminum presensitized lithographic plates.	Government has appealed to Supreme Court from circuit court of appeals ruling to transfer case.
Dec. 29, 1961	American Optical Company et al	Civil, eastern district of Wisconsin.	Eyeglass lenses	Interviewing witnesses for trial.
Jan. 23, 1962	Greater Blouse, Skirt & Neckwear Contractors Association, Inc., et al.	Civil, southern district of New York.	Contractors-jobbers ladies' blouses.	Consent decree negotiations in progress. Court continued case to Oct. 7, 1963.
Jan. 31, 1962	Anheuser-Busch, Inc., et al	Civil, eastern district of Missouri.	Beer	Government has filed motions to produce documents.

Feb. 9, 1962	York Corporation of Delaware	Civil, middle district of Pennsylvania.	Air conditioning and refrigeration equipment.	Consent decree negotiations in progress.
Feb. 16, 1962	Kimberly-Clark Corporation	Civil, northern district of California.	Paper and paper products	Discovery proceedings.
Feb. 29, 1962	Hubbard & Company et al	Civil, eastern district of Wisconsin.	Pole line hardware	Proposed consent decree filed May 31, 1963 to become final July 1, 1963.
Mar. 5, 1962	Gimbel Brothers, Inc., et al	do	Department stores	Discovery proceedings.
Mar. 7, 1962	South Florida Asphalt Company et al	Criminal, southern district of Florida.	Asphalt-hot mix and supply.	Argued in Circuit Court of Appeals and awaiting opinion.
Apr. 11, 1962	M. Klahr, Inc., et al	Criminal, southern district of New York.	Venetian blinds	Trial set for October 7, 1963.
Apr. 12, 1962	Columbia Broadcasting System, Inc	Civil, southern district of New York.	Broadcast time	Defendants are producing documents pursuant to stipulation.
Apr. 25, 1962	M. Klahr, Inc., et al.	do	Venetian blinds	Held in abeyance pending disposition of criminal case.
Apr. 26, 1962	Bethlehem Steel Company et al	Criminal, southern district of New York.	Open die steel forgings	Pending as to corporate defendants as individuals entered nolo pleas, awaiting assignment of judge.
June 1, 1962	Johns-Manville Corporation et al	Criminal, eastern district of Pennsylvania.	Asbestos-cement pipe and couplings.	Preparing for trial set for January 6, 1964.
June 5, 1962	Greater New York Roll Bakers Association, Inc., et al.	Criminal, southern district of New York.	Frankfurter and hamburger rolls.	2 defendants entered nolo pleas and fined. Preparing argument on motions for inspection.
Do	Sabrett Food Products Corporation et al	do	Frankfurters	Preparing for argument on motion for inspection of documents.
Do	Interborough Delicatessen Dealers Association, Inc., et al.	do	Kosher meats	Preparing for argument on motion for inspection of documents.
June 7, 1962	Greater New York Roll Bakers Association, Inc., et al.	Civil, southern district of New York.	Frankfurter and hamburger rolls.	All proceedings stayed pending criminal case.
Do	Sabrett Food Products Corporation et al	do	Frankfurters	Do.
Do	Interborough Delicatessen Dealers Association, Inc., et al.	do	Kosher meats	Do.
June 13, 1962	Armour and Company et al	Criminal, southern district of California.	Shortening	Trial set for Oct. 4, 1963.
Do	Corn Products Company et al	do	Salad oil	Preparing for trial.
June 22, 1962	Revlon, Inc	Civil, southern district of New York.	Cosmetics	Discovery in progress.
Jnne 25, 1962	Flynn-Learner et al	Criminal, distric of Hawaii	Scrap metal	2 defendants dismissed on motion and 2 acquitted by jury. Sentence to be imposed on 2 defendants who entered pleas.
June 25, 1962	The Learner Company et al	do	do	In abeyance pending outcome of above case.
Jnue 26, 1962	Roehr Products Company, Inc. (Conn.), et al	Civil, district of Connecticut.	Hypodermic needles and syringes.	Consent negotiation in progress.
June 27, 1962	Ward Baking Company et al	Criminal, eastern district of Pennsylvania.	"Economy" bread	Trial completed and sentence to be imposed.
June 28, 1962	Kurtz Bros. et al	Civil, eastern district of Pennsylvania.	School supplies	Consent decree negotiations.
Do	J. L. Hammett Company et al	do	do	Do.
Do	Consolidated Papers, Inc., et al	Criminal, western district of Wisconsin.	Pulpwood	Fines to be imposed on 4 defendants, on nolo pleas; July 1, 1963; case pending as to 2 defendants.
Do	do	Civil, western district of Wisconsin.	do	Case in abeyance pending completion of criminal case.
Do	American Can Company et al	Civil, eastern district of Wisconsin.	do	Pretrial proceedings.

See footnote at end of table.

Antitrust cases pending, June 30, 1963—Continued

Date filed	Name of case	Type and district	Commodity	Status
June 29, 1962	Arnold Bakers, Inc., et al	Civil, eastern district of Pennsylvania.	Bakery products	Consent negotiations as to 1 defendant; discovery proceedings as to others.
Do	Ward Baking Company et al	do	"Economy" bread	Case stayed pending criminal case.
Do	Hawaii Retail Druggists Association	Civil, district of Hawaii	Drug products	Consent decree negotiations.
July 11, 1962	Packaging Corporation of America et al	Civil, western district of Michigan.	Pulpwood	Held in abeyance till criminal case concluded, which ended June 24, 1963.
July 13, 1962	I-T-E Circuit Breaker Company et al.[1]	Civil, eastern district of Pennsylvania.	Navy and marine switchgear.	Preparing for trial. Settlement as to 2 defendants; pending as to 1 defendant.
Do	U.S. & TVA v. Federal Pacific Electric Co. et al.[1]	do	Power switching equipment	Pretrial discovery. Settlement as to 6 defendants; pending as to 2 defendants.
Do	H. K. Porter Company, Inc., et al.[1]	do	Isolated phase buses	Settlement as to 2 defendants; pending as to 2 defendants.
July 25, 1962	Johns-Manville Corporation et al	do	Asbestos-cement pipe and couplings.	Held in abeyance pending disposition of criminal case.
July 30, 1962	American Machine & Foundry Co., Inc., et al	Civil, southern district of New York.	Automatic pinsetters	Consent decree negotiations with 1 defendant. Discovery proceedings as to rest.
Aug. 9, 1962	The Elgin Corporation et al	Civil, northern district of Illinois.	Street cleaning garbage machines and trucks.	Consent decree negotiations in process.
Aug. 10, 1962	H. P. Hood & Sons, Inc., et al.[1]	Civil, district of Massachusetts.	Milk	Disposition of this case depends on outcome of companion criminal case.
Aug. 13, 1962	Thrifty Drug Stores Co., Inc., et al	Civil, southern district of California.	Drugstores	Discovery proceedings.
Aug. 24, 1962	The House of Seagram, Inc., et al	Criminal, southern district of Florida.	Alcoholic beverages	Trial of case ended in hung jury June 14, 1963. 2d trial to begin July 1, 1963.
Do	do	Civil, southern district of Florida.	do	Held in abeyance pending criminal case trial.
Aug. 28, 1962	Carnation Company of Washington et al.[1]	Civil, eastern district of Washington.	Milk and milk products	Parties are voluntarily submitting documents.
Aug. 30, 1962	General Motors Corporation et al	Civil, southern district of California.	Automobiles	Awaiting a pretrial conference.
Sept. 5, 1962	Carlon Products Corporation et al	Criminal, southern district of Ohio.	Acrylonitrile-butadine, styrene (ABS) plastic pipe.	Discovery proceedings.
Do	Triangle Conduit & Cable Co., Inc., et al	do	Polyethylene plastic pipe	Do.
Do	The B. F. Goodrich Company et al	do	Polyvinyl chloride (PVC) plastic pipe.	One defendant entered nolo plea. Preparing for trial.
Sept. 6, 1962	H. P. Hood & Sons, Inc., et al	Criminal, district of Massachusetts.	Milk	1 defendant dismissed on grounds of immunity and Government has appealed.
Sept. 12, 1962	Anaconda American Brass Co. et al	Criminal, district of Connecticut.	Brass mill tube and piping	Discovery proceedings.
Oct. 9, 1962	Richfield Oil Corporation et al	Civil, southern district of California.	Crude oil and petroleum products.	Do.
Oct. 31, 1962	Aluminum Company of America et al	Criminal, eastern district of Pennsylvania.	Aluminum conductor cable	Preparing for trial.
Nov. 8, 1962	General Dynamics Corporation et al	Civil, southern district of New York.	Carbon dioxide	Defendants voluntarily producing documents.
Nov. 9, 1962	Chicago Title and Trust Company et al	Civil, western district of Missouri.	Title insurance	Pending on defendant's motion to dismiss.

Nov. 29, 1962	Minneapolis-Honeywell Regulator Co. et al	Criminal, district of Minnesota.	Pneumatic temperature control system.	Discovery proceedings.
Do	do	Civil, district of Minnesota	do	Held in abeyance pending outcome of criminal case.
Dec. 4, 1962	Anaconda American Brass Co. et al	Civil, district of Connecticut.	Brass mill tube and pipe	Do.
Dec. 11, 1962	Flynn-Learner et al. [1]	Civil, district of Hawaii	Scrap metal	Pretrial procedure.
Dec. 19, 1962	Tubesales et al	Criminal, district of Oregon	Stainless steel pipe and tubing.	Trail to start Aug. 5, 1963.
Do	do	Civil, district of Oregon	do	Consent judgments with 3 defendants; pending as to 1.
Dec. 20, 1962	The H. E. Koontz Creamery, Inc., et al	Criminal, district of Maryland.	Milk and milk products	Government answering bill of particulars.
Do	F. & M. Schaefer Brewing Co., et al	Civil eastern district of New York.	Beer	Discovery proceedings.
Dec. 21, 1962	The H. E. Koontz Creamery, Inc., et al	Civil district of Maryland	Milk and milk products	Stayed pending resolution of motions in criminal case.
Dec. 28, 1962	The Valley National Bank of Arizona et al	Civil, district of Arizona	Commerical banking	Preparing for trial.
Do	Metro Associated Services, Inc	Civil, northern district of Iowa.	Advertising mats	Awaiting opinion on 1 defendants motion to dismiss
Do	Stanpz-Conhaim-Whitehead, Inc	do	do	Consent decree negotiations.
Dec. 31, 1962	Newmont Mining Corporation et al	Civil, southern district of New York.	Copper products	Pretrial discovery in progress.
Jan. 14, 1963	General Motors Corporation	Civil, northern district of Illinois.	Railroad locomotives	Held in abeyance pending outcome of criminal case.
Feb. 8, 1963	The Duluth Clearing House Association et al	Criminal, district of Minnesota.	Commercial banking	Pending on defendants motion for bills of particulars.
Do	The First National Bank of Saint Paul et al	do	do	Do.
Do	Northwestern National Bank of Minneapolis et al	do	do	Do.
Do	do	do	do	Abeyance pending outcome of criminal case.
Feb. 11, 1963	The First National Bank of Saint Paul et al	do	do	Consent decree negotiations.
Do	The Duluth Clearing House Association et al	do	do	Do.
Feb. 14, 1963	Ingersoll-Rand Company et al	Civil, western district of Pennsylvania.	Coal mining, machinery	Preparing for trial.
Mar. 14, 1963	Goldring Packing Co., Inc., et al	Criminal, southern district of California.	Fresh meat	Trail to start Sept. 10, 1963.
Mar. 15, 1963	H. P. Hood & Sons, Inc., et al	Criminal, district of Massachusetts.	Milk	Pending on defendants motion to dismiss.
Apr. 2, 1963	United States Steel Corporation et al	Criminal, southern district of New York.	Wrought steel wheels	Pending on defendants motion to transfer.
Do	Taylor Forge and Pipe Works et al	do	Rolled steel pipe flanges and rings.	Pending on defendant's motion to transfer.
May 13, 1963	Branch River Wool Combing Company, Inc., et al	Civil, district of Rhode Island.	Wool	Discovery proceedings.
June 5, 1963	FMC Corporation et al	Civil, northern district of California.	Industrial chemicals	Government has appealed to circuit court of appeals from denial of preliminary injunction.
June 6, 1963	Nachman Corporation et al	Criminal, eastern district of Missouri.	Bed springs	Arraignment set for July 1, 1963.
June 20, 1963	Sperry Rand Corporation et al	Criminal, northern district of Illinois.	Library shelving	Awaiting arraignment.
Do	do	Civil, northern district of Illinois.	do	Awaiting answer.

[1] Damage case.

Comparative summary of workload statistics, by fiscal years, Antitrust Division

	1955	1956	1957	1958	1959	1960	1961	1962	1963
Antitrust cases—									
Filed	47	48	55	54	63	86	62	73	62
Appealed	3	9	10	9	7	8	3	17	10
Terminated	41	67	50	53	66	45	66	30	[1] 88 (95)
Pending	116	97	102	103	100	141	137	180	154
Investigations—									
Instituted	188	143	139	144	124	253	249	336	376
Terminated	183	130	130	131	126	179	164	442	355
Pending	280	293	302	315	313	481	566	460	481
Kindred law cases—									
Instituted	------	81	82	73	65	76	89	195	156
Terminated	------	64	94	78	65	68	73	102	178
Pending	------	49	37	32	32	40	56	176	154
Agency proceedings	------	------	------	------	------	------	171	335	[2] 309

[1] Figure in parenthesis includes cases where decree signed by 1 or more but not all defendants and cases settled but not terminated due to 30-day waiting period.

[2] Agency proceedings include intervention in merger proceedings, surplus property clearance, statutory advice to banking agencies in merger cases, reports to defense agencies, alien property matters, FTC civil penalty cases, reports to CAB, and appearance in other agency proceedings. Statistics not available for years prior to 1961.

Comparative analysis of antitrust cases filed, by fiscal years

	1955	1956	1957	1958	1959	1960	1961	1962	1963
Cases filed:									
Civil	30	25	37	32	21	59	40	41	39
Criminal	17	23	18	22	42	27	22	32	23
Total	47	48	55	54	63	86	62	73	62
Cases filed involving price fixing:									
Civil	15	14	15	18	9	36	11	27	13
Criminal	12	17	13	17	40	23	18	31	20
Total	27	31	28	35	49	59	29	58	33
Merger cases filed	3	3	5	4	6	13	15	10	14
Monopolization cases filed:									
Civil	8	4	10	6	3	7	4	9	4
Criminal	5	3	2	4	4	2	2	10	1
Total	13	7	12	10	7	9	6	19	5
Individuals indicted	88	51	49	34	61	66	18	129	61

Workload statement, Antitrust Division

	Fiscal years								
	1955	1956	1957	1958	1959	1960	1961	1962	1963
Antitrust cases:									
District courts:									
Civil:									
Pending beginning of year	76	82	62	72	77	65	101	111	138
Filed during year	30	25	37	32	21	59	40	41	39
Terminated during year	24	45	27	27	33	23	30	14	65
Won	[1] 22	[2] 33	25	26	28	22	23	10	62
Lost	2	9	2	1	1	0	3	1	2
Dismissed on Government's motion	0	[3] 3	0	0	[4] 4	[5] 1	[6] 4	[7] 3	[8] 1
Pending end of year	82	62	72	77	65	101	111	138	112
Criminal:									
Pending beginning of year	34	34	35	30	26	35	40	26	42
Filed during year	17	23	18	22	42	27	22	32	23
Terminated during year	17	[3] 22	23	26	33	22	36	16	23
Won	11	16	18	16	[9] 30	17	35	12	18
Lost	2	2	4	6	3	5	1	1	4
Dismissed on jurisdictional grounds								1	0
Dismissed on Government's motion	[10] 4	[3] 4	[11] 1	[12] 4	0	0	0	[13] 2	[8] 1
Pending end of year	34	35	30	26	35	40	26	42	42
Courts of appeals:									
Pending beginning of year	2	1	5	5	3	1	5	1	4
Filed during year	1	6	5	3	2	5	0	6	5
Terminated during year	2	2	5	5	4	1	4	3	7
Won	2	1	5	0	4	1	3	[14] 2	5
Lost	0	1	0	[15] 5	0	0	1	1	2
Pending end of year	1	5	5	3	1	5	1	4	2
Supreme Court:									
Pending beginning of year	3	3	4	4	3	3	3	3	12
Filed during the year	2	3	5	6	5	3	3	11	5
Terminated during year	2	2	5	7	5	3	3	2	11
Won	2	1	4	6	3	3	3	2	8
Lost	0	1	1	[11] 1	[16] 2	0	0	0	3
Pending end of year	3	4	4	3	3	3	3	12	6

[1] *Western Penn. Sand & Gravel Assn. et al*, Cr. 13855 (supplement to civil 780) (civil side of case). Petition denied by court as relief in prior judgment held to be sufficiently broad so as to cover additional relief sought.
[2] *National City Lines Inc., et al.*, civil, consent, issue of relief litigated and relief denied.
[3] Civil: *Darling; Employing Lathers; Wholesale Produce Buyers.* Criminal: *Safeway Stores Inc. et al*, Cr., dismissed simultaneously with the filing of an information. *Associated Credit Bureaus; Employing Plasterers Ass'n.; Employing Lather Ass'n. Sylvania Electric Products Corp.* (Cr. Guilty pleas and 1 defendant tried and found not guilty).
[4] Civil: *Linen Service Council of New Jersey; Guerlain Parfums Corday, Inc. & Lanvin Parfums.*
[5] *Standard Oil Co. of Ohio.*
[6] *Minnesota Mining and Manufacturing; Firstamerica Corp.; Proctor and Gamble Co., et al.; Standard Oil Co. of California* (consent as to 1 defendant).
[7] *United Artists, Ariz. Consolidated Masonry & Plastering*, and *Standard Oil Co.*
[8] *Cunningham Drug*, civil, and *V. D. Kniss et al.*, Cr.
[9] *Maryland State Licensed Beverage*, 38 nolo pleas, 12 dismissed, and 3 acquitted after trial.
[10] *Bowman Dairy Co. et al*, Cr. 48CR360. Supreme court affirmed dismissal of companion civil case. *Allied Stores Corp.*, Cr. 48753; *Marshall Field & Co.*, Cr. 48755; *Rhodes Department Store*, Cr. 48756: Insufficient evidence to warrant trial.
[11] Criminal: *Maryland & Virginia Milk Producers Ass'n., Inc.*
[12] Criminal: *Wolf; Aero Mayflower Transit; R. Potts;* and *Maine Lobster Co.* dismissed simultaneously with filing information.
[13] *Linen Supply Inst. of Gr. N.Y.* and *Linen Service Council of N.J.*
[14] *Woodson* case certified to Supreme Court by circuit court of appeals.
[15] *Socony* cases certified by circuit court of appeals to Supreme Court and then dismissed by Government.
[16] *Parfums Corday*, dismissed by Government.

Antitrust Division case workload

	Fiscal years								
	1955	1956	1957	1958	1959	1960	1961	1962	1963
Major investigations—									
Pending beginning of year	275	280	293	302	315	[1] 407	481	566	460
Instituted during year	188	143	139	144	124	253	249	336	376
Disposed of during year	183	130	130	131	126	179	164	442	[2] 355
Pending end of year	280	293	302	315	313	481	566	460	481

[1] Adjusted to include mergers.
[2] 24 investigations closed out resulted in 43 cases (civil and criminal).

Mr. ROONEY. It is indicated that the request is in the amount of $6,854,000, which would be an increase of $254,000 over the amount appropriated for this Division in the current fiscal year.

While that would appear to be a modest increase, let me ask, How does this requested appropriation of $6,854,000 compare with the fiscal year 1961, when Mr. Bicks was so successful in this field?

It would compare with the sum of $5,074,000, would it not?

Mr. ANDRETTA. $4,760,000.

Mr. ROONEY. Plus a $314,000 supplemental?

Mr. ANDRETTA. Yes.

Mr. ROONEY. What do you have to say about this, Mr. Orrick?

GENERAL STATEMENT

Mr. ORRICK. If you please, Mr. Chairman, this modest increase is accounted for by annualization of pay in the amount of $142,300, within-grade promotions in the amount of $116,000, and personnel benefits in the amount of $16,700.

There are more lawyers on the payroll now than in 1961, but I would emphasize that the requested appropriation for fiscal 1965 does not include any additional personnel.

Mr. ROONEY. Mr. Orrick, are you not familiar with the fact that the entire Department of Justice is not asking for any additional personnel in the coming fiscal year?

Mr. ORRICK. Yes, sir.

Mr. ROONEY. There is nothing unusual about that?

Mr. ORRICK. I was pointing out it goes for our Division, too.

ACCOMPLISHMENTS

Mr. ROONEY. What have you done in the Antitrust Division in the past year?

Mr. ORRICK. We have filed 22 cases, Mr. Chairman, including cases involving steel castings, railroad cars, the most significant action in the State of Hawaii that has been filed, the case against Matson and the Big Four.

Mr. ROONEY. Has that been concluded?

Mr. ORRICK. No; it just started.

Mr. ROONEY. The other day?

Mr. ORRICK. That is right.

Mr. ROONEY. Tell us about the ones you have succeeded in trying. Tell us about the fines collected, the number of jail sentences the courts

have imposed as a result of your activities, and what else you have accomplished in the expenditure of almost $7 million of the taxpayers' money.

FINES AND RECOVERIES

Mr. ORRICK. During fiscal 1963 the collection of fines aggregated about $9.8 million.

Mr. ROONEY. Of the $9.8 million how much does Mr. Bicks get credit for as a result of the Philadelphia electrical cases?

Mr. ORRICK. The Philadelphia electrical cases accounted for roughly $8.6 million.

Mr. ROONEY. So that Mr. Bicks gets credit for $8.6 million and you and Mr. Loevinger get credit for $1.2 million?

Mr. ORRICK. Yes.

JAIL SENTENCES

Mr. ROONEY. Tell us about the jail sentences.

Mr. ORRICK. There were no jail sentences this year, Mr. Chairman.

Mr. ROONEY. Again?

Mr. ORRICK. I regret to say that is true. That is not because we did not ask. We did get one suspended sentence.

Mr. ROONEY. That sort of result would not discourage people violating the antitrust laws; would it?

Mr. ORRICK. No, sir; it does not, and it bothers us very much and we make strong representations to the courts throughout the country asking for jail sentences.

Mr. ROONEY. How many lawyers do you have?

Mr. ORRICK. 294.

NUMBER OF CASES TRIED

Mr. ROONEY. How many casse did you try during the last year?

Mr. ORRICK. During fiscal 1963 we tried 16.

Mr. ROONEY. That is not such a very great number with a staff of 294 lawyers?

Mr. ORRICK. It is more than have been tried in recent years, Mr. Chairman. I think it might be of some interest to note——

Mr. ROONEY. On what page do we find that in the justifications?

Mr. ORRICK. On page 19–5.

If I may, during 1963 we spent a total of 1,643 days——

Mr. ROONEY. How many cases did you try during the last year?

Mr. ORRICK. We do not have those figures, Mr. Chairman. I will be glad to supply them.

Mr. ROONEY. It might be well if you did, at this point in the record.

(The information was submitted as follows:)

During fiscal year 1960, Division personnel tried 11 antitrust cases.

Mr. ROONEY. Go ahead, please.

Mr. ORRICK. I was calling the committee's attention to the fact that during fiscal 1963 we spent some 1,643 days in court and we are trying more cases.

Mr. ROONEY. Let us go back to the 16 cases you refer to. How many of the defendants were found guilty? In those cases, how many were based on judgments of the court and/or jury?

Mr. ORRICK. There were nine criminal cases and seven civil cases.

Mr. ROONEY. And?

Mr. ORRICK. We won three, two criminal cases and one civil case.

Mr. ROONEY. When you say you won, you won as the result of the decision of the court and/or jury?

Mr. ORRICK. Yes, sir.

SPECIAL LITIGATION SECTION

Mr. ROONEY. Do you have a special litigation unit?

Mr. ORRICK. A Special Litigation Section; yes, sir.

Mr. ROONEY. Where do we find that? What page is that on?

Mr. ORRICK. We have not broken it down by section, Mr. Chairman.

CRITICISM OF ANTITRUST DIVISION

Mr. ROONEY. There has been a letter written to us, apparently by somebody who works down there in your shop, and the statement is made therein that in the Special Litigation Section they have not won a litigated case in 15 years. Is there any truth to this?

Mr. ORRICK. There is not any truth to that. I was sent an unsigned copy of the letter. I am familiar with the letter.

Mr. ROONEY. It is very interesting, is it not?

Mr. ORRICK. Not to me, it was not, because it is not signed.

Mr. ROONEY. I am sure you do not run around with an unloosened collar and run up two flights of stairs to the Attorney General's Office to show you have vigor, do you?

Mr. ORRICK. Mr. Chairman, I work in my office in shirt sleeves, as has long been my custom. I do not often call on the Attorney General.

Mr. ROONEY. I see nothing wrong with working in shirt sleeves. I do it myself.

Do you hold any "silly" seminars as stated in this letter?

And did you find out who wrote the letter?

Mr. ORRICK. We held one seminar, Mr. Chairman, with four law professors who came from Yale and Harvard and the University of Pennsylvania and Mr. Corwin Edwards, who used to be Chief Economist for the Federal Trade Commission, on Saturday. Mr. John E. Lewis and Mr. Capron of the Council of Economic Advisers were there. The purpose was to discuss some problems we had in connection with oligopolies. They were there all day and I think it was worthwhile. I might add we are going to continue holding—if they can be called that—seminars or training sessions for some of our lawyers on brief writing.

Mr. ROONEY. Your answer to the writer of this letter would be you do not feel your seminar is silly?

Mr. ORRICK. Yes.

Mr. ROONEY. How many cases has this Special Litigation Section won in the last year?

Mr. ORRICK. I do not know but it is under the leadership of Mr. Lewis Bernstein, one of our best lawyers, and Phil Roach.

Mr. ROONEY. Have they tried any cases in the past year?

Mr. ORRICK. I cannot answer that. I would like to supply that.

Mr. ROONEY. I feel I am required to make inquiry in this regard in view of the bald statement that this Special Litigation unit has not won a case in 15 years. This would be pretty hard to understand.

Mr. ORRICK. If you please, sir, he also said we had a very poor record in wins and losses over the last 3 years, and I would respectfully call the attention of the committee to our workload statistics.

Mr. ROONEY. I am wondering, in view of the statement the Special Litigation unit has not won a litigated case in 15 years, if they have tried any cases in the past year?

Mr. WRIGHT. They tried the pulpwood case.

Mr. ROONEY. And you lost that?

Mr. WRIGHT. Yes.

Mr. ORRICK. I will be glad to supply that for the record.

(The following was submitted for the record:)

Including the antitrust cases which were pending in the Special Litigation Section on July 1, 1948, and those filed through December 31, 1963, the Section has handled 198 cases in the past 15½ years; 177 have been terminated. Of those terminated through litigation, the Section won 19 (2 criminal and 17 civil), lost 13 (4 criminal and 9 civil). In addition, the Section won 140 cases without trial (49 criminal and 91 civil); 5 cases (1 criminal and 4 civil) were dismissed. Of the 198, 21 are still pending.

Among the cases terminated during the first half of the 1964 fiscal year, and won by the Special Litigation Section after trial, was *United States* v. *Brown Shoe Company, Inc., et al.*, one of the most important cases filed to date under the Celler-Kefauver amendment to section 7 of the Clayton Act.

Mr. ROONEY. What about the year before, did the Special Litigation Unit try any cases and, if so, what happened to those cases?

Mr. ORRICK. I do not know that.

Mr. ROONEY. The writer also says that although the Division picks the cases themselves—that is so, you do live a charmed life and pick your own cases; do you not?

Mr. ORRICK. There are a good many we feel we have to try.

WON AND LOST RECORD

Mr. ROONEY. And you won 2 out of 30 cases in the last 3 years.

Mr. ORRICK. That is incorrect. For verification I would refer the committee to the document entitled "Workload Statement—Antitrust Division."

Mr. ROONEY. What page is that?

Mr. ORRICK. It is in the supporting data.

Mr. ROONEY. What page?

Mr. BASSFORD. It should be the last tab you have.

Mr. SLACK. Just before the green sheets.

Mr. ROONEY. I have it. According to this you won 35 Federal cases in 1961, and 12 in 1962, and 18 in 1963.

Mr. ORRICK. Yes, sir.

Mr. ROONEY. And these are criminal cases?

Mr. ORRICK. Yes, sir. We lost six in those 3 years.

In civil cases, we won 23 in 1961, 10 in 1962, and 62 in 1963 for a total of 95, and lost 6.

Mr. ROONEY. Maybe this letterwriter has a gripe?

Mr. ORRICK. Yes, sir.

Mr. ROONEY. And he says something about your giving incentive awards usually to persons who have lost rather than won cases. Is there any truth to that?

Mr. ORRICK. Not to my personal knowledge.

Mr. ROONEY. Everyone got an incentive award who won cases; I take it?

Mr. ORRICK. No, sir; but some had not tried cases in the preceding year.

Mr. ROONEY. Go ahead, Mr. Orrick, please, Tell us all about this request. We have already inserted all your justifications in the record. Now if you would direct yourself to these achievements of yours during the past year.

Mr. ORRICK. Mr. Chairman, I came to this job toward the end of June, toward the end of the fiscal year.

Mr. ROONEY. You would be speaking for your predecessor. He was your colleague when you were Assistant Attorney General in charge of the Civil Division.

TERMINATION OF CASES

Mr. ORRICK. Yes, sir; and I think the Division had an excellent record in terminating cases. The committee suggested, a year ago, that the Division should concentrate on successfully terminating cases, and I would call the committee's attention to the fact that 88 such actions were terminated this year, 65 civil and 23 criminal.

In the Supreme Court the Division had a good record. With the 12 cases on file they won 8 and lost 3, and I think 1 was left over for this year.

During fiscal 1963 more investigations were commenced than ever before—some 376.

Mr. ROONEY. Well, we seem to have a rash of investigations but, as you point out in your justifications:

The House Appropriations Committee, in its report covering the Division's appropriation request for fiscal year 1963, emphasized the importance of the successful termination of pending litigation.

Mr. ORRICK. Yes, sir.

Mr. ROONEY. And you say:

The Division's record during the fiscal year just closed shows that the committee's directions have been fully implemented.

INVESTIGATIONS

Well, now, I would like to be convinced of that. You see, we have been concerned with the number of investigations that this Antitrust Division has been making and I think we likened it to a pipeline; you were pouring it all in at one end and nothing was coming out of the other end. Will you tell us about that?

Mr. ORRICK. Yes, sir. On the question of investigations, where they initiated 376 they closed 355 investigations.

Mr. ROONEY. I think we further said, at page 9 of the report referred to:

The committee is much more interested in the successful conclusion of cases than the statistical workload charts.

This Division has traditionally loaded us down with workload charts but we have a situation where we only collected $1.2 million in fines and no jail sentences. We wonder if that is a sensible expenditure of almost $7 million of the taxpayers' money.

This comment should lead you into a full discussion and give you an opportunity to convince us you really are doing something with the taxpayers' money and that you are enforcing the antitrust laws, which everyone wants enforced.

Mr. ORRICK. That is right. There is nothing more important, and we realize it, than the enforcement of the antitrust laws in maintaining our economy.

POLICY PLANNING

Since I have been there I have appointed, at the instance of the Attorney General, a Director of Policy Planning.

Mr. ROONEY. Policy planning?

Mr. ORRICK. Yes.

Mr. ROONEY. You must think you are still in the State Department.

Mr. ORRICK. The same thing would apply. We try to make the most economic and effective use of the resources we have available and to that end we thought it best to review——

Mr. ROONEY. As I recall, yesterday we found the Civil Division was also doing some streamlining and we found an additional bureau they were setting up. Did we not have that testimony yesterday?

Mr. BOW. Yes.

Mr. ORRICK. Mr. Chairman, we are trying to make the most economical use of the resources that we have, and in order to utilize the 292 lawyers in the segments of the economy which we think are most important, it was necessary to establish this Policy Planning group. We made the sections primarily concerned with litigation directly responsible to the First Assistant; the sections whose functions relate to the formulation of policy were placed under the Director of Policy Planning, a new position in the Division; the position of Chief of Section Operations was abolished, and a new position of Second Assistant was established. A new section, the Evaluation Section, was established and is responsible to the Director of Policy Planning.

What they did first was to make a study, and I think it is the first study of its kind that has been done in our Division, as to exactly what the dispositions of our resources were as of a certain date. That was significant because they found in certain concentrated industries, for example, in the soap and detergent industry and in the rubber industry, a few companies controlled the majority of the market. We are closely scrutinizing those two industries in particular. And there were others as we went over the 700-odd matters we have pending in the Division. We found other gaps and we hope to correct those during the coming fiscal year.

Mr. ROONEY. That is all very well and good, but I have given you an opportunity to set forth on this record, for the average taxpayer as a reader, an explanation of why we should spend $7 million in your Division.

Mr. ORRICK. As the chairman indicated, we are all anxious for strong enforcement of the antitrust laws.

Mr. ROONEY. We are in agreement on that, but you have not told us why this should cost $7 million.

PRICE STABILIZATION BILL

Mr. ORRICK. One significant contribution I think the Division has made is a strong vigorous opposition to the price stabilization bill, which I think should be called the consumer high price bill, and we have done considerable research to prove our point. I think the time

and effort and money devoted along those lines will help the consumers.

CASES FILED

Mr. ROONEY. We are interested in the consumer, I assure you, and I am not being facetious when I refer to this letter we have already mentioned in which the writer says you are in the field of diapers, trading stamps, and lipsticks, and ask what have you done for the consumer as the result of your activities in regard to these three items?

Mr. ORRICK. In food manufacturing alone, 11 percent of our cases——

Mr. ROONEY. Why do you not begin with diapers?

Mr. ORRICK. That is a good consumer item.

Mr. ROONEY. A very important item.

Mr. ORRICK. In food manufacturing we think we are doing a great deal for the consumer. We have committed in that field 11 percent of the Division's total resources.

PRICE FIXING IN DIAPER SERVICES

Mr. ROONEY. Tell us what, if anything, you have done in regard to diapers.

Mr. ORRICK. We filed an action——

Mr. ROONEY. Is that in here?

Mr. ORRICK. It is in the listing of cases we filed in the backup.

Mr. ROONEY. What page would that be?

Mr. BASSFORD. It should be right behind the charts, Mr. Rooney, cases instituted.

Mr. ROONEY. Where is that?

Mr. ORRICK. It is under "Antitrust cases instituted July 1, 1963, through December 31, 1963," the last item on the page.

Mr. ROONEY. This is a suit pending in the southern district of New York against the National Institute of Diaper Services, Inc.?

Mr. ORRICK. Yes, sir. I think we got a consent decree.

Mr. ROONEY. What did they do?

Mr. ORRICK. They divided up the city of New York and had allocated territory and were price fixing, and upon the filing of the suit they entered into consent decree negotiations and there was an injunction prohibiting them from pursuing this activity. This case did not have only regional significance because there was a similar type activity in other cities and we understand they have ceased that activity.

Mr. ROONEY. You prosecuted that successfully?

Mr. ORRICK. The case terminated successfully.

Mr. ROONEY. Congratulations. This is a very important thing, price fixing in regard to diaper service. I think this is very, very important, I assure you.

ACTION AGAINST MAX FACTOR

Now tell us about the lipstick cases. Is that the *Revlon* case?

Mr. ORRICK. Yes.

Mr. ROONEY. What happened to that?

Mr. ORRICK. In that case there was an action charging Max Factor & Co. with conspiring to fix prices.

Mr. ROONEY. Is that the case that has been pending for a long time?

Mr. ORRICK. No, sir.

Mr. ROONEY. It seems to me Max Factor has always had a case in here each year.

Mr. ORRICK. I do not recall any other but that was filed December 27, 1963.

Mr. WRIGHT. There had been some Federal Trade Commission litigation against Max Factor. I think you may be thinking of that.

Mr. ROONEY. No; I was thinking of this Division in connection with Max Factor.

Mr. WRIGHT. I do not recall any.

Mr. ROONEY. Proceed, please.

Mr. ORRICK. That case is pending now.

Mr. ROONEY. What are they accused of doing?

Mr. ORRICK. They are accused of conspiring to fix prices on items that were fair trade in other States and we brought the action in a non-fair-trade State, the State of Missouri.

TRAVEL

Mr. ROONEY. You have how much in here for travel, Mr. Orrick?

Mr. ORRICK. About $290,000.

Mr. ROONEY. Not all of your 294 lawyers would travel; would they?

Mr. ORRICK. No, sir.

Mr. ROONEY. Is that estimate not pretty high?

Mr. ORRICK. No, sir. I do not think that it is. We have six field offices, temporary field offices, but we have cases in other parts of the country which are not covered by those offices and it is necessary for us to proceed out there in those areas to try the cases.

Mr. ROONEY. You spent $286,836 last year for travel and transportation of persons, did you?

Mr. ORRICK. Yes, sir.

Mr. ROONEY. Can you tell us how much of that $286,000 item was for first-class travel as compared with coach and economy fares?

Mr. ORRICK. We do not have the figures. I hope none of it was for first class, but we do not have the figures.

Mr. ROONEY. I hope so, too. Will you supply that information at this point in the record, please?

Mr. ORRICK. Yes.

(The information follows:)

During fiscal year 1963, the Antitrust Division spent $39,500.31 in first-class travel and $78,378.65 on coach or tourist travel, and the balance represents costs of per diem, taxi fares, bus transportation, automobile and GSA car rental, and incidentals.

Mr. ROONEY. There must be a lot of first-class travel because your travel is higher than for an agent of the FBI.

Mr. ORRICK. Wherever possible we hold it to economy class.

Mr. ROONEY. You think you have made a satisfactory record here, Mr. Orrick, to warrant our continuation of this very substantial appropriation?

Mr. ORRICK. The committee will decide that, Mr. Chairman, but I can tell you there is nothing, in my view, more important——

Mr. ROONEY. Than enforcing the antitrust laws?

Mr. ORRICK. That is right.

Mr. ROONEY. We agreed on that at the outset, but we have not as yet learned from you why you need this substantial appropriation.

Mr. ORRICK. We are getting 292 good lawyers spread out, 177 here in Washington and the balance in 6 field offices.

Mr. ROONEY. I thought you said there were 294 lawyers.

Mr. ORRICK. Thank you, Mr. Chairman, 294.

Mr. ROONEY. What are they doing?

Mr. ORRICK. They are preparing cases, going to the libraries, conducting grand juries, conducting investigations, and doing research, and I think the taxpayers' money is very well spent, indeed, on this activity. I might say with the continuing high-level investigations, this is important.

Mr. ROONEY. You have been in Government 3 years?

Mr. ORRICK. Yes, sir.

Mr. ROONEY. And this is your third time up here?

Mr. ORRICK. Yes, sir.

Mr. ROONEY. You should know that these gratuitous statements do not convince us at all. We like to have some meat to digest. If you were to sit across there and tell us you had produced a case like the Philadelphia electrical cases, then you would have something.

Mr. ORRICK. We are looking for those all the time, Mr. Chairman.

Mr. ROONEY. And you have not found any?

Mr. ORRICK. I have not found any since I have been there; no, but we are looking.

Mr. ROONEY. It is pretty hard to understand that with that appropriation we referred to a while ago of approximately $5 million in 1961, there were 35 criminal cases won compared with 12 in 1962 and 18 in 1963.

Mr. ORRICK. Many of those, Mr. Chairman, I believe were the Philadelphia cases.

Mr. ROONEY. Of the 18 in 1963, how many of those were cases which developed as the consequence of the Philadelphia electrical cases?

Mr. ORRICK. None of them, Mr. Chairman.

DAYS IN COURT

Mr. ROONEY. Do you have any information as to the number of days the lawyers of the Antitrust Division were in court?

Mr. ORRICK. Yes, sir.

Mr. ROONEY. Where do we find that?

Mr. ORRICK. It is on page 19–6 of our justifications, and the number is 1,643 days.

Mr. ROONEY. Could you tell us how many of those were Washington lawyers rather than field-office lawyers?

Mr. ORRICK. I do not have that information, Mr. Chairman.

Mr. ROONEY. Will you please supply it for the record?

Mr. ORRICK. Yes, sir.

(The information follows:)

Washington attorneys were in court 535 days during fiscal year 1963, and attorneys assigned to field offices were in court 1,108 days.

Mr. ROONEY. Thank you, Mr. Orrick.

AFTERNOON SESSION

U.S. ATTORNEYS AND MARSHALS

WITNESSES

WILLIAM J. BRADY, CHIEF, EXECUTIVE OFFICE FOR U.S. ATTORNEYS
JAMES P. McSHANE, EXECUTIVE OFFICE FOR U.S. MARSHALS

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

		1963 actual	1964 estimate	1965 estimate
11	Personnel compensation:			
	Permanent positions	19,432	20,688	21,372
	Positions other than permanent	129	158	158
	Other personnel compensation	1,183	1,295	1,245
	Total personnel compensation	20,744	22,141	22,775
12	Personnel benefits	1,259	1,349	1,416
21	Travel and transportation of persons	2,929	2,805	3,018
22	Transportation of things	11	25	25
23	Rent, communications, and utilities	747	720	887
24	Printing and reproduction	403	436	511
25	Other services	1,093	1,025	1,381
26	Supplies and materials	241	187	221
31	Equipment	485	539	591
	Total costs	27,912	29,227	30,825
	Change in selected resources	1		
	Total obligations	27,913	29,227	30,825

Personnel summary

[In thousands of dollars]

	1963 actual	1964 estimate	1965 estimate
Total number of permanent positions	2,836	2,882	2,882
Full-time equivalent of all other positions	11	14	14
Average number of all employees	2,742	2,818	2,820
Employees in permanent positions, end of year	2,743	2,777	2,795
Employees in other positions, end of year	24	17	10
Average GS grade	6.3	6.3	6.4
Average GS salary	$6,053	$6,329	$6,470
Average salary of ungraded positions	$10,283	$10,464	$10,654

Mr. ROONEY. The committee will please come to order.

The next item, gentlemen, is to be found at page 82 of the committee print entitled "Salaries and Expenses, U.S. Attorneys and Marshals." The details with regard thereto are to be found under tab 20 of the justifications and we shall at this point in the record insert pages 20–1 through 20–4, which pages refer to the overall items "U.S. attorneys and U.S. marshals."

(The pages follow:)

Salaries and expenses, U.S. attorneys and marshals

Appropriation, 1964	$29,230,000
Less transfer to GSA for rent	−3,000
Appropriation, 1964 (adjusted)	29,227,000
Estimate, 1965	30,825,000
Increase	1,598,000

Analysis by activities

	1964	Increases	1965
U.S. attorneys	$17,287,000	$928,000	$18,215,000
U.S. marshals	11,940,000	670,000	12,610,000
Total	29,227,000	1,598,000	30,825,000

Analysis of litigative funds included in appropriation

Activity	Actual, 1963	Estimate, 1964	Estimate, 1965
U.S. attorneys:			
(a) Travel in legal proceedings	$457,240	$485,000	$562,000
(b) Evidentiary and other litigative expenses:			
(1) Fees, condemnation commissioners	116,839	200,000	200,000
(2) Printing and reproduction	387,942	420,600	495,600
(3) Other contractual services (reporting, attendance fees and transcripts, compensation of interpreters, and doctors' abstract of titles, and recording fees)	948,864	900,000	1,215,500
Total, U.S. attorneys	1,910,885	2,005,600	2,473,100
U.S. marshals:			
(c) Executing judicial orders and transporting prisoners:			
(1) Guard hire	340,347	361,000	391,000
(2) Travel (marshals attending court, serving process and transporting prisoners including prisoners' travel)	2,471,348	2,320,100	2,457,100
(3) Communication services (postal registry, summoning jurors)	16,381	18,000	18,000
(4) Other contractual services (guarding, hauling and destroying seized property, and expenses of transporting prisoners)	146,364	125,000	165,000
Total, U.S. marshals	2,974,440	2,824,100	3,031,100
Total, litigative funds	4,885,325	4,829,700	5,504,200

PROGRAM AND PERFORMANCE

The Government is represented in each of the 92 judicial districts by a U.S. attorney and a U.S. marshal.

1. *U.S. attorneys.*—The U.S. attorney is responsible for the Government's legal interests in his district.

2. *U.S. marshals.*—The marshal has custody of all Federal offenders until released by the courts or confined in prison. He also acts as agent of the court in the service of process.

The following table shows actual and estimated workloads:

	1963 actual	1964 estimate	1965 estimate
U.S. attorneys:			
Cases:			
Pending beginning of year	32,267	32,618	32,518
Adjustment of number of cases pending	−238		
Filed during year	59,606	61,900	64,300
Terminated during year	59,017	62,000	65,000
Pending end of year	32,618	32,518	31,818
U.S. marshals:			
Process served	758,430	760,000	780,000
Process endeavors	176,412	180,000	185,000
Defendants arrested	15,633	16,500	17,500
Prisoners handled	193,081	194,000	195,000

AMOUNT REQUESTED

The Department is requesting $30,825,000 to meet the requirements of the U.S. attorneys' and marshals' offices for the 1965 fiscal year, or a total increase over the amount available in 1964 of $1,598,000 divided as follows: $928,000 for the U.S. attorneys; and $670,000 for marshals.

The major items of increase are:

	In thousands
Statutory provisions	$419
Promotion plan, U.S. attorneys	150
Reallocation of 200 field deputy positions	100
Litigative expenses	676
Communications services (telephone)	166
Other increases	87
Total increase	1,598

INCREASES REQUESTED

Mr. ROONEY. This request is in the amount of $30,825,000, which would be an increase of $1,598,000 over the amount appropriated for the current fiscal year.

U.S. ATTORNEYS

We shall direct our attention to the first of the two parts of this item entitled "U.S. Attorneys and Marshals."

The details are to be found under tab 21 and we shall at this point insert in the record pages 21–1 through 21–27 of the justifications.

(The pages follow:)

U.S. attorneys

Appropriation, 1964	$17,287,000
Estimate, 1965	18,215,000
Increase	928,000

AMOUNT REQUESTED

It is estimated that $18,215,000 will be required to operate the U.S. attorneys' offices in the 1965 fiscal year, an increase of $928,000 over the amount available for 1964.

The increases are as follows:

Statutory provisions	$137,305
Promotion program for assistant U.S. attorneys	150,000
Travel	77,000
Communications	114,700
Printing and reproduction	75,000
Reporting services, etc	315,500
Other increases	58,495
Total increase	928,000

GENERAL STATEMENT

The U.S. attorneys are the legal representatives of the Department of Justice in the field. They are responsible for the enforcement and administration of the Federal laws throughout the 50 States and possessions. They represent almost all agencies and departments of the Government in the actual litigation of claims by and against the United States. The effectiveness of their work in criminal cases materially influences the degree of respect and compliance accorded the Federal criminal statutes by the public. The results of their civil litigative efforts have a direct impact on the Treasury of the United States in the number of monetary judgments which must be paid by the Government, and in the legal principles of Government liability which are established in any given field of law.

The results of the work of all of the Federal investigative agencies in their districts, such as the FBI, the Bureau of Narcotics, the Alcohol and Tobacco

Tax Unit, the Internal Revenue Service, and the Secret Service, are channeled through the U.S. attorneys' offices to the courts. The end result of the time, money, and personnel spent on such investigations is thus dependent upon the effectiveness of the legal work done by the U.S. attorneys and their assistants. This applies not only to criminal cases but to civil cases as well where the amounts involved in suits for or against the United States involve an aggregate of hundreds of millions of dollars. Because of the importance of preserving the interests of the Government in these cases, it is necessary that the staff of assistant U.S. attorneys be adequate in number, possess a high degree of legal skill, and be compensated in a manner commensurate with their responsibilities. These responsibilities lie in an area where the prestige of the Government is involved and where the complex legal issues, unless skillfully handled, may result in precedents extremely damaging to the Government.

Obtaining highly qualified attorneys to serve as assistant U.S. attorneys is difficult as competition for their services is keen. Salaries which can be offered by private firms, by other Federal agencies, and by State and local governments are very attractive. Moreover, in many State and local prosecutive offices, the salary is enhanced by the income from private practice. Added to the problem of obtaining well-qualified attorneys is the problem of attrition in the legal staff caused by transfers of experienced attorneys to other Federal agencies which are in a position to pay salaries commensurate with the attorney's experience and ability. The broad experience gained as assistant U.S. attorneys makes these attorneys extremely valuable to other agencies.

The loss of an assistant U.S. attorney who has had 2 or 3 or more years of experience in an office represents not only the loss of one man from the staff, it represents a loss of cumulative experience and expertise which cannot be measured in dollars and cents. Seasoned assistants who are competent in every type of litigation, and who are thoroughly familiar with the routine of the courts and the judges in their districts are the backbone of the U.S. attorney's offices. In order to keep the great mass of litigation moving along in an orderly manner toward disposition, and to reduct the pending caseload, it is imperative that these seasoned assistants be retained. This can only be done by making the salary structure attractive enough to recruit and keep the type of assistant we need. It was for this purpose that, in fiscal 1963 the minimum entrance salary was raised from $6,000 to $6,500, and a regular promotion plan was established under which assistant U.S. attorneys are given annual raises of between $500 and $1,000 in order to bring their salaries to a level comparable to that existing in other Federal agencies and in State and local agencies. Of the amount requested for fiscal 1965, $150,000 is earmarked for this purpose.

Personnel turnover is not only expensive in terms of money, it is also wasteful in terms of work interruptions and time required for training new employees. The policy of increased entrance salaries and systematic promotions was designed to (1) facilitate the recruitment of new assistants, (2) retain our more experienced assistants, and (3) reduce turnover among all assistants. The salary promotion plan has been a very effective means of achieving these objectives.

The results of the promotion plan are shown in the number of experienced assistants we have been able to retain. On June 30, 1963, a total of 111 assistants or 15.7 percent of the 705 assistants authorized, had over 4 years experience. Of these: 66 had over 5 years' experience; 14 had over 10 years'; 5 had over 15 years'; 6 had over 20 years'; and 1 had over 25 years' experience. Thus, one out of every seven assistants on the roll at the present time has the experience and length of service which are so essential to the efficient operation of the U.S. attorneys' offices. We hope to be able to retain and enlarge this cadre of seasoned attorneys.

The salary promotion plan has not only helped to retain the more experienced assistants, it has also served to reduce very substantially the turnover rate among all assistants. Generally speaking, assistant U.S. attorneys are not career employees, as are the majority of attorneys in the Department of Justice. For this reason, it might be expected that the turnover rate for assistants would be considerably higher than that for departmental attorneys. In fiscal 1963, however, the turnover rate for attorneys in the seven legal divisions of the Department was 12.3 percent, whereas the turnover rate for assistants was 15.1 percent, or only 2.8 percent higher.

In terms of cases filed and terminated, the past fiscal year was a record-breaking one for the U.S. attorneys. After a 6-year period in which the number of new cases filed never arose above 55,364, and in which the average number of new cases received each year was 54,281, the number of new cases filed rose

to 57,153 in 1962 and to 59,606 in 1963. Despite the most strenuous efforts of the U.S. attorneys, the number of cases terminated, although up by 5,103 cases over the previous year, could not keep pace with the volume of new business received. As a result, the number of cases pending registered a small increase of 349, or 1 percent in 1963. The significance of the U.S. attorneys' achievement in holding the caseload increase down to 1 percent in 1963 is seen in the fact that the caseload increased by 3.8 percent in 1960; 7.6 percent in 1961; and 11.1 percent in 1962. In other words, in 1963 the 3-year upward spiral which reached a peak of over 11 percent in 1962 was halted and reduced to 1 percent.

In fiscal 1963, the U.S. attorneys' offices filed more civil and criminal cases, terminated more civil and criminal cases, handled more criminal complaints and civil matters, handled more trials, and conducted more proceedings before grand juries than in any of the preceding 8 years.

The volume of work handled in every category increased substantially and topped a number of existing records for the past 8 years for which statistics are available. The number of criminal cases filed was higher than for any of the preceding 8 years, with the exception of 1955. In that year, the procedure in "wetback" cases was changed, and only chronic offenders were brought before the U.S. attorneys—the other cases were handled within the Immigration and Naturalization Service. This accounts for the appreciable drop in criminal cases after fiscal 1955. Accordingly, if the more than 8,000 "wetback" cases filed in 1955 were removed from that year's total, such total would be below the total for fiscal 1963. The number of criminal cases filed in fiscal 1963 exceeded by over 2,000 the average number filed in any of the preceding 7 years.

The number of civil cases filed in fiscal 1963 was substantially higher than in any of the preceding 8 years. The 26,371 civil cases filed exceeded by over 3,200 cases the average number of civil cases filed in each of the prior 8 years, and exceeded the total for 1962 by 1,129 cases, or 4.4 percent.

Total cases filed were higher than in any of the 8 preceding years. The total filed in 1963 was over 4,400, or 8 percent, higher than the average for the 8 preceding years, and was higher than the 1962 total by 2,453 cases, or 4.2 percent.

Both criminal and civil terminations exceeded the totals for the past 7 years. Criminal case terminations increased 1,529 cases, or 4.9 percent over fiscal 1962, and if "wetback" cases were subtracted from the 1955 total (as discussed above), the 1963 total would set an 8-year high for terminations. Civil case terminations were 3,574 cases, or 15.7 percent, higher than in the previous year, and set an alltime high for this category of work. The number of criminal case terminations was higher than in any of the preceding 6 years, and exceeded the 6-year average by 1,845 cases, or 6 percent. Civil terminations were over 3,500 cases, or 15.4 percent higher than the average for the preceding 8 years. Combined criminal and civil terminations were 5,103 cases, or 9.4 percent higher than in fiscal 1962, and exceeded the preceding 7-year average by 4,666 cases, or 8.6 percent.

The number of criminal trials conducted in fiscal 1963 fell slightly below the number for the preceding year. The 3,347 criminal trials held in fiscal 1963 was 99, or 2.9 percent less than the total for fiscal 1962. Despite this slight drop, however, the number was higher than for any of the 6 years prior to 1962, and exceeded the average of the previous 8 years by 130 trials, or 4 percent. The small decrease in criminal trials was caused by the Department's emphasis on civil cases during the year, and the drive to reduce the pending civil caseload. The rise in civil trials during the year more than compensated for the slight reduction in criminal trials. The total of 1,941 civil trials held in fiscal 1963 was 366, or 23.2 percent higher than in the previous year. This was the largest number of civil trials held in any of the preceding 4 years. The fiscal 1963 total exceeded the average of the preceding 8 years by 193 trials, or 11 percent. Total criminal and civil trials set an 8-year record with an increase of 267 trials, or 5.3 percent over fiscal 1962, and an increase of 448 trials, or 9.2 percent, over the average of the preceding 8 years.

In 1963, the number of grand jury proceedings conducted was greater than in any of the preceding 8 years. The 16,121 proceedings conducted exceeded those for 1962 by 295, or 1.8 percent and exceeded the 8-year average by 448, or 9.2 percent.

Total criminal complaints received during 1963 reached an alltime high of 115,609. This represented an increase of 3,681, or 3.2 percent, over the preceding year, and a rise of 13,624, or 13.3 percent, over the average for the preceding 8 years. Civil matters received dropped by 1,730, or 4.9 percent from 1962, but totaled more than in any of the 7 years preceding 1962. The number of civil matters re-

ceived in 1963 exceeded the 8-year average by 2,101, or 6.7 percent. Total criminal and civil matters received hit a new high of 149,022, which was 1,951 more than in 1962, and which exceeded the 8-year average by 15,732 matters, or 11.8 percent.

Total collections by U.S. attorneys during the 1963 fiscal year aggregated $42,111,304. Collection figures for both fiscal 1962 and 1963 have had to be adjusted because of erroneous reports of collections from one district. The error arose when the U.S. attorney's office in question took credit for all moneys recovered in cases handled by the Internal Revenue Special Procedures Unit for the district, instead of taking credit only for moneys recovered in those cases in which the U.S. attorney and his staff actually worked. Adjustment reduced 1962 collections from $52,686,047 to $43,955,061. Comparison of the adjusted figures for 1962 and 1963 shows that recoveries in fiscal 1963 were down by $1,843,757, or 4.1 percent. Through the exercise of intensive collection efforts in fiscal 1964 we hope to be able to increase the amount of money recovered on claims due the Government and to achieve aggregate collections which will more than offset the decrease in 1963. Collections for fiscal 1963 represent a return to the Government of $2.60 for each dollar obligated for the operation of the U.S. attorneys' offices.

Of equal importance with the monetary sums actually recovered is the aggregate of savings effected to the Government by U.S. attorneys through the defense or compromise of suits against the United States. During fiscal 1963, in a total of 1,234 suits in which the Government was involved, a total savings of $55,981,065 to the Government was achieved. Cases numbering 679, involving $25,640,687, were compromised for $5,422,663, a saving of $20,218,024; in 266 cases won by the Government, $19,638,979 was involved; and in 289 suits against the Government involving $25,931,106, only $9,807,044 was recovered. When this total saving of $55,981,065 is added to the aggregate of $42,111,304 actually collected for the Government in fiscal 1963, we find that the U.S. attorneys effected a return to the Government of $98,092,369, or $6.07 for each dollar used in the operation of their offices, a return of over 600 percent.

The foregoing figures show that the U.S. attorneys' offices are economically self-sufficient, and recover for the Government many times the cost of their operation. Moreover, much of the money actually collected by U.S. attorneys is collected through voluntary payments and without having to incur the expense of litigation. In fiscal 1963, a total of $18,593,763, or 44.1 percent of the aggregate collections, was recovered without actual suit or prosecution.

In 1963, the Department requested that emphasis be placed on the disposition of pending civil cases, which had risen by 6,000 cases in the 7-year period 1956–62 and which constituted 71 percent of the pending caseload in 1962. In response to this request, the U.S. attorneys disposed of more civil cases than in any of the preceding 8 years, and over 3,500 more than in fiscal 1962. As a result, the pending civil caseload was reduced for the first time since 1959.

Among the factors which have considerable impact on the number of cases terminated are the greatly increased time required for pretrial preparation, and the protracted nature of the trials themselves. An important case of nationwide interest can tie up the work of the office for an extended period. Some examples of this type are air crash cases which give rise sometimes to hundreds of suits in different judicial districts, and securities fraud cases and tax evasion cases which are not only highly complex but also time consuming. Such cases sometimes involve months of preliminary investigation and preparation, followed by weeks of actual trial, and require the coordinated efforts of a number of assistants. When completed, however, the case counts for no more, statistically, than a minor case which might involve only a half-day's work. While the present litigation reporting system is highly effective, it reflects only the number of cases pending or terminated, and not their complexity. Thus, a decrease in the number of cases handled does not indicate a diminishing workload, but, rather, that the cases being handled are requiring more time and preparation. Additional data are now being reported and compiled showing the man-hours applied to the several categories of work which it is believed, will reflect a better picture of the actual workload of these offices.

Almost every U.S. attorney has cases charged to his office and included in his pending caseload, which are not handled by his staff but by special counsel assigned from the Department. Thus, the U.S. attorney has no control over the speed with which these cases are terminated. One of the largest categories of such cases is civil rights cases which usually are of long duration and almost invariably involve appeals, which further delay disposition. Labor

cases, involving union leaders, and organized crime and racketeering cases are other examples of this type. Departmental attorneys who try these cases frequently use the facilities and personnel of the U.S. attorney's office while in the district. During a trial which lasts for weeks or months, these additional demands tax the resources of such offices and affect the number of his own cases that the U.S. attorney can handle. Where the time of one judge is taken up with a protracted trial, the adverse effect on the court's docket and the availability of court time for the trial of cases by the U.S. attorney is self-evident.

An important aspect of the work of the U.S. attorneys is the acquisition of land for Federal purposes. The authorization of dam reservior projects and the development and testing of jetplanes, guided missiles, and other modern armament has greatly increased the need for land by the Federal Government. Lands work is perhaps the most time consuming of all types of litigation because of the difficulty in locating owners, the number of tracts involved in each case, and the consequent number of landowners who must be served with the necessary process, etc. During the past fiscal year U.S. attorneys received requests for condemnation of 8,259 land tracts, while requests for acquisition by direct purchase totaled 14,030 tracts. This was an increase of 2,307 tracts, or 11.5 percent over the previous year. A total of 16,261 tracts were closed through condemnation and 16,449 tracts through direct purchase, an increase of 8,865 tracts, or 37.1 percent over the prior year and the largest such total since World War II. As of June 30, 1963, there were 25,756 tracts pending—21,357 in condemnation and 4,399 in direct purchase. As the average period between the filing of a complaint in a condemnation proceeding and the final closing of the case requires so much more time than the proceeding of the average case, it is clear that the lands work in U.S. attorneys' offices will remain heavy for some time to come. Among the 25,756 tracts of land now pending are many which involve substantial monetary amounts. As interest in such cases runs at 6 percent per year, it is incumbent upon the U.S. attorneys to make every effort to keep their lands workload as current as possible. An unfortunate aspect of lands work is that it is not evenly distributed. In a few districts new acquisition projects may add thousands of land tracts to the workload, whereas in the remainder of the districts the workload may be relatively stable. This poses serious personnel problems, as an adequately staffed office becomes understaffed in the face of an avalanche of new lands work.

The condition of the lands backlog has concerned not only the Department of Justice but the judiciary as well. As of June 30, 1962, of the 29,359 tracts pending in condemnation, 2,881, or 9.8 percent, had been pending from 3 to 5 years, and 2,626, or 8.9 percent had been pending over 5 years. Stated another way, 5,507 tracts, or almost one-fifth of all tracts pending, had been pending over 3 years. Moreover, a survey showed that in 5,600 tracts, or 19 percent of all tracts pending, the compensation had been determined, and all that remained to be done in order to dispose of the matter was to forward to the Department the necessary papers, or take some other minor action.

To relieve this situation, the Lands Division of the Department organized a small-tract program and elicited the cooperation of the U.S. attorneys in disposing of a specified number of tracts in each district. The wholehearted response of the U.S. attorneys to this drive is shown in the fact that they closed over 37 percent more tracts in fiscal 1963 than in the previous fiscal year, and the largest number since the World War II years. The number of tracts pending over 5 years was reduced by 559 tracts, or 21.2 percent, and the age of the average lands tract was consequently reduced. Emphasis was placed on clearing out those tracts in which compensation had been determined, and only minor action was required for their disposition. As a result, the number of those tracts was cut from 5,600 to 4,096, a reduction of 1,504 tracts, or 36.7 percent. If the momentum achieved in the lands program through the close cooperation of the U.S. attroneys with the Lands Division can be continued through fiscal 1964, the pending lands workload can be further substantially reduced and should achieve the most current posture it has enjoyed in years.

There has been a consistent rise in tax litigation during the past decade. The increase in fiscal 1963 was 25 percent. As the amounts involved in tax cases have increased over the past 10 years, there has been a corresponding increase in the complexity of such work. In addition, the very considerable interest charges on such sums make it mandatory that they be disposed of as quickly as possible. Most civil tax work is done by departmental legal personnel but

the expense attendant upon the litigation, such as printing of briefs, etc., is borne by the U.S. attorneys' offices. Seven hundred and eighty-one civil tax cases were tried last year.

U.S. attorneys and their assistants are responsible for the trial of criminal tax cases. During fiscal 1963, 743 such cases were commenced. In addition to being difficult, complex and time consuming, cases in this category of litigation are also expensive to prepare and try.

The continued rise in tax litigation is accelerating tremendously, as can be seen from the above figures. This tide of tax work undoubtedly will continue and increase in fiscal 1965. The Department of Justice Tax Division received congressional authority to employ 96 additional employees in fiscal year 1962, and an additional 13 employees, all attorneys, for fiscal 1964. The work of these additional employees will have a direct effect upon the number of cases received by the U.S. attorneys. The prospect of a substantial increase in tax litigation is further illustrated in the Internal Revenue Service requests for new employees. Three thousand additional employees were requested for fiscal 1963 and two thousand for fiscal 1964. If their requests are granted, the Internal Revenue Service will have augmented its force by 10,000 additional employees since 1961. This increase in enforcement personnel will also have an effect on tax litigation in the Department of Justice and the U.S. attorneys' offices.

For the first time since 1955, the number of tax lien cases pending at the close of the fiscal year showed a decrease. During the 7-year period from 1955 to 1962 this category of cases rose from 1,197 to 4,385, an increase of 266 percent. On June 30, 1963, however, tax lien cases showed a drop from 4,385 to 4,091 cases, a reduction of 294 cases, or 6.7 percent.

The number of criminal complaints received has increased in 7 of the last 8 years, and there is no indication that this upward trend will subside. During the period 1956–63, criminal complaints received rose from 120,865 to 149,022, an increase of 23.3 percent. The review of these complaints, the selection of those which are to be tried, and the careful preparation necessary for their trial all add to the general expenses of the U.S. attorneys' offices. The preponderance of litigation in the field offices is criminal in nature and it must be carried forward promptly and vigorously in order to achieve effective Federal law enforcement.

While criminal cases filed each year outnumber civil cases, it is the processing of Government monetary claims and the defense of civil suits against the United States which occupy much of the time and effort of the personnel of the U.S. attorneys' offices. To accelerate the disposition of civil cases and matters, the authority delegated to U.S. attorneys to compromise or settle such cases and matters has been greatly expanded. While this broadened authority has been of tremendous help to the field offices in curtailing the delay formerly attendant upon settlement, it has also added to the office workload. It is estimated that about one-third of the amount involved in pending civil cases (excluding Indian claims, tax claims, and antitrust cases) represents claims against the Government. In approximately one-third of these cases, interest will be assessed directly or will be an element in the settlement, and such interest will average about 4 percent. While U.S. attorneys have been extremely successful in defeating or reducing inflated claims against the Government so that recoveries generally average only 10 percent of the amount claimed, nevertheless the interest on even this small percentage represents a very considerable item of cost to the United States. It is the inexorable running of interest which makes it critically important that such litigation be disposed of as quickly as possible. To cope effectively with the ever-increasing volume of new business in all categories, it is vital that the U.S. attorneys' offices retain their experienced legal personnel, and be in a position to offer salaries which will attract well-qualified new attorneys.

The operations of the U.S. attorneys' offices have a potent effect on the caliber of law enforcement throughout the districts they serve, consequently, it is essential that they have the type of personnel necessary to carry out their responsibilities and continue the high standard which has been established in the field of enforcement of the Federal criminal statutes. Moreover, the Government's expansion in the areas of military procurement, social welfare, agricultural support programs, and related matters makes it a party to an ever-larger proportion of civil litigation each year and increases its potential liability to claims. This mass of litigation cannot be effectively processed to disposition without sufficient funds to do the job assigned, and for the most part, items of expense such as travel, printing of briefs and records, also reporting services are not administratively controllable expenses.

The General Services Administration has supplied the Department with the proposed completion schedule of new Federal buildings throughout the country for the fiscal years 1965 through 1968. The estimated cost of furniture and equipment for both the U.S. attorneys' and marshals' offices for this period will aggregate $528,600; i.e., fiscal 1965, $85,800; 1966, $117,700; 1967, $59,900; and 1968, $265,200.

Since the beginning of the program in 1962 which transferred responsibility for purchasing furniture and equipment for new Federal buildings from GSA to the departments and agencies, we have been unable to depend on the GSA scheduled completion dates for obtaining the necessary financing in the fiscal year when actually needed. In the case of large projects especially, the actual completion dates are several years later than the scheduled dates and long after the funds for furniture and equipment were requested and appropriated. For example, the new Federal Building in Brooklyn, N.Y., was scheduled to be completed in fiscal 1962 and we requested and were authorized the amount of $37,800 for that year. Actually the building will not be ready for occupancy until sometime this fiscal year (1964). In the meantime the appropriation has expired and no funds are currently available for this particular project. (The total currently provided for other projects scheduled for completion in 1964 is only $48,100.)

In an effort to meet this problem it is proposed to prorate the prospective costs for new buildings based on the GSA schedule for 1965 through 1968, and request annual appropriations approximating one-fourth of the total for the 4-year period. In this way it is hoped that we can meet the requirements in each year even though some slippage occurs in the construction schedules.

Under this plan $82,000 is requested to finance the attorney's share of the estimated costs in fiscal 1965. This is $34,000 more than is available in 1964.

Detailed explanation of increase

	Statutory provisions	Other	Total
11 Personnel compensation			$249,200
Pay Act carryover from 1964 (schedule II)	$75,000		
For continuation of promotional plan for assistant U.S. attorneys		$150,000	
Statutory step increases	75,805		
Lapse adjustment		395	
Regular pay above 52-week base	−52,000		
Total	98,805	150,395	
12 Personnel benefits			38,500
Mandatory retirement fund increase for the existing staff	38,500		
Total	38,500		
21 Travel and transportation of persons			77,000
To provide funds for continued increase in volume of work		77,000	
Total		77,000	
23 Rents, communications, and utilities			114,700
Reimbursement to GSA Federal telecommunications fund, as authorized by Public Law 87-847 approved Oct. 23, 1962. Reflects estimated additional cost ($67,000) of communications services provided by GSA		67,000	
Less nonrecurring provision for rent included in 1964 appropriation		−3,000	
A projection of the 1963 per capita cost ($312) for communication services into fiscal 1965 reflects the need for $50,700 more to cover this expense. The increased cost, 1963 over 1962, was in excess of $52,000		50,700	
Total		114,700	
24 Printing and reproduction			75,000
To provide funds for a continued increase in volume and cost of printing		75,000	
Total		75,000	

Detailed explanation of increase—Continued

	Statutory provisions	Other	Total
25 Other contractual services			315,500
Additional funds are needed to cover the rapidly rising cost of reporting services. The number of grand juries and trials throughout the country continues to increase. Although these are litigative expenses and generally considered to be uncontrollable every effort is being made at both the district and Department level to hold them to the lowest possible level		315,500	
The rate of increase 1962 over 1961, and 1963 over 1962 averaged $176,000 annually, in other words from fiscal 1961 to 1963 obligations increased $352,077. Total obligations for 1963 were $984,864. It is estimated that the annual rate of increase for 1964 and 1965 will average at least $133,250. In other words, it is estimated that total obligations for 1964 will aggregate to $1,082,250 ($949,000 plus $133,250). By comparing $1,082,250 to $900,000 available for 1964, a deficit in the amount of $182,250 is anticipated for this classification. Using the same premise as basis for projection, $133,250 more must be added to the estimated cost for 1964 in order to determine our needs for 1965 fiscal year. So $133,000 added to $1,082,000 will aggregate approximately $1,215,500			
Total		315,500	
26 Supplies and materials			1,500
1965 request reflects at $75 unit cost per employee unit cost for 1963 amounted to $80		1,500	
Total		1,500	

	1964 estimate		1965 estimate		Statutory provisions	Other	Total
	Number	Amount	Number	Amount			
31 Equipment							$56,600
Adding machines	10	$3,540	10	[1] $3,790		$250	
Dictating machines	16	5,600	16	[1] 6,576		976	
Transcribers	8	2,800	8	[1] 3,288		488	
Electric typewriters	100	40,000	100	[1] 44,200		4,200	
Photocopying machines	25	8,125	25	[1] 8,800		675	
Furniture (Post Office controlled buildings)		24,000		24,000			
Furniture (GSA controlled buildings)		32,400		32,400			
Furniture and equipment for new Federal buildings		48,100		82,000		33,900	
Library equipment:							
Accessions		45,000		45,000			
Continuations		145,000		145,000			
Miscellaneous items		12,535		28,646		16,111	
Total		367,100		423,700		56,600	
Total increase 1965					$137,305	790,695	928,000

[1] Reflects price increases.

Workload

	Actual			Estimated	
	1961	1962	1963	1964	1965
Cases or matters:					
Pending beginning of year	26,971	29,059	[1] 32,267	32,618	32,218
Adjustment of number of cases pending		(−)29	(−)238		
Received	54,668	57,153	59,606	61,600	61,600
Terminated	52,580	53,916	59,017	62,000	62,000
Pending end of year	29,059	[1] 32,267	32,618	32,218	31,818
Number of assistant U.S. attorneys	565	576	657	670	670
Caseload per assistant U.S. attorney	144	150	139	140	140
Cases terminated per assistant U.S. attorney	93	94	90	93	93
Matters:					
Pending beginning of year	21,070	23,186	26,601	25,866	30,000
Received	141,082	147,071	149,022	153,000	155,000
Terminated	84,975	86,295	91,958	95,000	97,000
Pending end of year	23,186	26,601	25,866	30,000	30,000
Civil cases filed	23,877	25,242	26,371	27,400	28,100
Civil cases terminated	22,271	22,899	26,471	28,000	29,000
Criminal cases filed	30,791	31,911	33,235	34,500	33,500
Criminal cases terminated	30,309	31,017	32,546	34,000	33,000
Criminal complaints filed	108,194	111,928	115,609	118,000	120,000
Proceedings before grand jury	15,100	15,826	16,121	16,500	17,000
Civil matters received, not on court docket	32,888	35,143	33,413	34,000	34,500

[1] Adjusted to reflect changes in statistics previously reported.

Criminal trials in U.S. district courts

Fiscal year	Criminal court trials	Criminal jury trials	Total trials
1961	962	2,117	3,079
1962	1,083	2,363	3,446
1963	1,113	2,234	3,347
1964 (estimated)	1,250	2,300	3,550
1965 (estimated)	1,300	2,350	3,650

U.S. attorneys financial summary

Fiscal year	Collected in cases			Other civil judgments	Collections without actual suit or prosecution		
	Fines	Forfeitures	Penalties		Total	Criminal	Civil
1961	$4,973,177	$300,961	$194,856	$8,883,552	$14,352,546	$153,790	$20,331,384
1962	5,293,423	724,673	397,666	15,146,809	21,562,571	125,314	[1] 22,392,490
1963	5,809,885	378,540	404,381	16,924,735	23,517,541	90,767	18,502,996
1964 (estimated)	6,300,000	425,000	475,000	18,000,000	25,200,000	125,000	20,000,000
1965 (estimated)	6,700,000	500,000	525,000	20,000,000	27,725,000	150,000	22,000,000

[1] Adjusted to reflect deletions of collections made exclusively by I.R.'s in Cal. S. from October 1961 to June 30, 1962, inclusive, which were erroneously reported.

Mr. ROONEY. The request for U.S. attorneys is in the amount $18,215,000 which would be an increase of $928,000 over the amount appropriated in the current fiscal year. The increases are set forth at page 21–2 and it would appear therefrom that you do not even break down the $137,000 in statutory provisions.

DETAILS OF REQUEST

Mr. ANDRETTA. They are within-grade promotions of $76,000 and the additional pay act costs of $75,000. Under "Personnel benefits," the collateral figure comes to $137,000 for the mandatory items, less the 1 compensable day, plus $150,000 to carry out the promotion plan.

Mr. ROONEY. We will get to those, but these are the ones that are more or less left to the judgment of the committee?

Mr. ANDRETTA. Yes.

Mr. ROONEY. The $137,305 is mandatory; right?

Mr. BROWN. Correct.

Mr. ROONEY. The difference between $137,305 and $928,000 is comprised of increases in each category; correct?

Mr. ANDRETTA. That is correct.

Mr. ROONEY. For instance, would you take up travel money under this?

Mr. ANDRETTA. $77,000.

Mr. ROONEY. By $77,000 increased from $485,000 to $562,000. There are some very substantial requested increases here.

We are pleased to have with us Mr. William J. Brady, Chief, Executive Office for U.S. Attorneys.

Mr. Brady, since you have never previously appeared before the committee, we would like a brief biographical sketch of yourself.

BIOGRAPHY OF WILLIAM J. BRADY

Mr. BRADY. Congressman, I was born in Philadelphia, Pa., and went to school there, both grammar school and high school. I attended the University of Pennsylvania and after a year and a half I left to serve in the Air Force for 4 years. I entered Harvard College in 1946 and after 3 semester-years I graduated from Harvard in 1948, whereupon I was married and I joined the company of Burling Mills Corp. I was stationed in Kansas City, Mo., where I attended the University of Missouri Law School. I graduated from the University of Missouri at Kansas City in 1953, took and passed the Pennsylvania bar examinations, and in 1954 in Philadelphia I became an assistant district attorney.

I spent three and a half years in the office of the district attorney at Philadelphia. Thereafter, I joined my father in the practice of law and later in 1958 I formed the partnership of Brady & White.

I have been practicing for the past 6 years in Philadelphia as a practicing attorney.

Mr. ROONEY. Until when?

Mr. BRADY. Until this past December when I joined the Department of Justice. I have been with the Department of Justice now 7 weeks.

Mr. ROONEY. Are they good lawyers, this firm of Brady & White?

Mr. BRADY. Yes, Congressman. In all fairness, we work hard and do our best.

Mr. ROONEY. Tell us about their budget, Mr. Brady. Since you have only been around since December, have you had a chance to digest this budget?

Mr. BRADY. I reviewed the budget with my predecessor and I have also been helped appreciably by Mr. Andretta.

Mr. ROONEY. You had a good helper, I'll say.

Mr. BRADY. I spent the last 3 weeks traveling to the various U.S. attorenys' offices on the eastern coast and have gone over the various situations in each of the offices to determine where we can make some savings in regard to the overall budget.

Mr. BOW. How much did you save by that trip?

Mr. BRADY. Well, Congressman, I think I learned a lot more than what I saved. I was quite impressed with the various——

Mr. BOW. Give us the dollar figure you were able to cut down by that trip.

Mr. BRADY. Unfortunately, I cannot. I am not able specifically to answer that.

Mr. BOW. It was an expensive trip.

Mr. ANDRETTA. I must say that part of this Office's job is liaison between the U.S. attorneys and the Department's legal divisions. Another part of the job is to get to the offices and learn their local problems and size up the people and personnel.

Mr. ROONEY. See how much money they can spend?

Mr. ANDRETTA. No; how much they can save.

Mr. RONNEY. How many more employees they claim they need?

Mr. ANDRETTA. For him really to do his job properly, he has to have the feel of all of these offices and being new he has to get out in the field.

Mr. ROONEY. Of course, he should have a fairly good idea of the field, having been in the district attorney's office in Philadelphia over the period he mentioned, right?

Mr. BRADY. I agree. You are right.

Mr. ROONEY. I do not know what your politics are, Mr. Brady, but it seems there is a unanimity of opinion around here that we are anxious to help the President in his economy efforts. No doubt this has something to do with the fact that you are not asking for any additional people. That is so; is it not?

Mr. BRADY. That is correct.

INCREASES REQUESTED FOR 1965

Mr. ROONEY. How about all of these niceties, such as the travel item, communications, printing and reproduction, $315,500 additional for reporting services? What would that bring the reporting services up to?

Mr. ANDRETTA. $1,215,500. That includes other things besides reporting, transcript and grand jury reporting, and regular court reporting, contractual services.

Mr. ROONEY. That is a pretty big jump, is it not, Mr. Andretta?

Mr. ANDRETTA. Yes, sir; it is, but litigating expenses in the U.S. attorneys' offices are going up by leaps and bounds.

Mr. ROONEY. Here you are seeking an increase of $928,000 on top of the increase in the current year of $905,000. These figures are correct, are they not?

Mr. ANDRETTA. You mean for 1964?

Mr. ROONEY. The difference between——

Mr. ANDRETTA. Was that not for the pay raise mostly? That was for the pay raise last year.

Mr. ROONEY. Well, $300,000 of it, as I recall, was for this promotion plan of yours?

Mr. ANDRETTA. Yes.

Mr. ROONEY. Mr. Andretta, how many areas are we going to get into with these promotion plans? Is everybody going to get one of them?

Mr. ANDRETTA. No. Of course, the FBI had a promotion plan for their agents that they have had for years with the endorsement of this committee. You remember when we started with the U.S. attorneys, that was because these pay raises would come along since the within-grade raise provision did not apply to assistant U.S. attorneys. They are outside of the Classification Act and in order to keep them in the Office and do something for them, it was essential we have some carrot to hold in front of them that they could shoot for. As they gained more experience and were more valuable to the Office they could expect a pay raise especially since we must compete with local prosecuting officers and private firms.

Mr. ROONEY. My attention has been called to the fact that last year in the increase of $905,000, over $400,000 had nothing to do with the pay raise.

Mr. ANDRETTA. It could be.

Mr. ROONEY. Is it so?

Mr. BROWN. That is right. I do not have the figures but I am sure the analysis is right.

PROBLEM OF INCREASED TRAVEL

Mr. ANDRETTA. We have been trying to catch up in our general legal expenses, Mr. Chairman. Here is what we are up against: The U.S. attorneys are permitted on their own authority to travel within their judicial districts. You are familiar with the fact that when 73 new judges were created we added considerably to our staff. Therefore, in addition to more personnel there are more places of holding court, more court being held in the judicial districts, and they are being required to travel more within their districts. We have no way of controlling that in the Department. If every time a fellow has to go another place in his district to try a case or to appear in a pretrial proceeding, he had to ask for authority, we would be swamped in Washington with paperwork and the offices would be absolutely brought to a standstill. So, the only times they ask Washington for authority to travel is when they go outside of their districts. The only exception to that is if they go into the circuit court to argue a case, they can travel to that circuit without any authority from Washington. There is no point in a central control of such travel. There would be nothing we could do to stop it. They have to appear in court and argue the case.

Mr. ROONEY. They have been doing the same thing for years have they not?

Mr. ANDRETTA. That is true, but now we have more people and more travel. After watching this thing I regret to say something has happened to the legal profession, whether it is the new generation in the profession or what, but they are dreaming up more ways of creating a lot of work and trouble and expense than anything I have ever seen with all these depositions, pretrial proceedings, different motions they file one after another in the courts which seem mostly dilatory tactics, I regret to say.

Mr. ROONEY. You are not talking of your own people now?

Mr. ANDRETTA. No; the judges are pushing us in the Department because they expect us to do so. They heard about our drive on backlogs some years back and I think they want to help us keep going and keep up.

They set up deadlines for us to meet. There are very few continuances and things like that that we get.

Mr. ROONEY. Are you still talking about travel?

Mr. ANDRETTA. I am talking about travel; yes, sir.

As I say, the travel time is a real troublesome, bothersome one and I do not know what to do about it, really.

Another thing we find is that with the complexity of Federal cases now and the frequency of civil court actions, and pretrial court actions, attorneys have to travel not only into neighboring districts but all over the country, either to take depositions or interview witnesses. Where the other party has asked for a deposition, we have to be present. The practice of interviewing witnesses to prepare for court cases or pretrial procedures is growing rapidly.

Also, often two trips are needed for the pretrial procedures and then again for the trial itself. We have all this repetition of travel and you can see it also reflected in the witness appropriation now because of the witnesses being called for depositions and in these pretrial hearings and things like that.

Mr. ROONEY. Do you have any schedule or chart showing the workload of U.S. attorneys as compared with previous years?

Mr. ANDRETTA. That is in the back of the blue book, Mr. Chairman. There is quite a series of charts.

I have here a statement of the first 6 months of this fiscal year which might be informative, if you would like it, as compared to the first 6 months of last year.

COMPARISON OF WORKLOAD AND APPROPRIATIONS, 1954–63

Mr. ROONEY. The very first exhibit I come across in this blue book would indicate you had fewer filed civil suits in 1963, which ended last June 30, than you did in 1954 and fewer criminal cases filed in 1963 than you did in 1954; is that the fact?

Mr. ANDRETTA. You mean 1954 or 1964?

Mr. ROONEY. 1954 and 1963.

Mr. ANDRETTA. That is right.

These charts in the back, Mr. Chairman, do not go back to 1954.

Mr. BROWN. Exhibit No. 15.

Mr. ROONEY. What was the appropriation in 1954 for U.S. attorneys?

Mr. ANDRETTA. 1955 is the first one in the committee print and that was about $15 million for U.S. attorneys and marshals.

Mr. ROONEY. Do you have it for U.S. attorneys?

Mr. ANDRETTA. I will have to get that, Mr. Chairman.

Mr. ROONEY. I would asume that it costs far less money to run the U.S. attorneys' offices in 1954 than in 1963?

Mr. ANDRETTA. Undoubtedly.

Mr. ROONEY. They had more work in 1954 than they had in 1963 insofar as the filing of civil and criminal suits are concerned.

Please insert that information on cost of U.S. attorneys in 1954 at this point in the record.

Mr. ANDRETTA. Yes, sir.

(The requested information follows:)

$8,064,000 was appropriated for U.S. attorneys in 1954.

PRIOR YEAR'S RECORD

Mr. ROONEY. Whoever put up exhibit No. 19 was very careful to leave out 1953, was he not? 1953 would go a little higher, if not much higher, than 1963; right?

Mr. ANDRETTA. I do not know. I do not have the 1953 figure in front of me, but certainly on the criminal file——

Mr. ROONEY. Way down?

Mr. ANDRETTA. Way over 1963.

Mr. ROONEY. Sure.

Do you have the amount of money it cost for the U.S. attorneys' offices in 1955? Of course, all through this we must realize there have been pay increases?

Mr. ANDRETTA. And other inflated costs. I will get the 1955 figure for you, Mr. Chairman:

(The information follows:)

1955 costs for U.S. attorneys' offices were $9,672,762.

Mr. ROONEY. It would appear that in 1959 there were at least the same number of criminal cases filed in the U.S. attorneys' offices as 1963; right?

Mr. ANDRETTA. Right.

Mr. ROONEY. We find that in 1956 when the appropriation was—please insert at this point in the record the amount for U.S. attorneys' offices ($11,129,000)—there were more civil cases terminated than in 1963; right?

Mr. ANDRETTA. That is correct.

Mr. ROONEY. With regard to criminal cases terminated in the U.S. attorneys' offices in 1955, the figure is very substantially more than in 1963; correct?

Mr. ANDRETTA. Correct. Mr. Chairman, my impression is, and I want to go back and verify it——

Mr. ROONEY. Surely, you do not find fault with your own charts?

Mr. ANDRETTA. Unfortunately, the statistical section may have included the "wetback" cases in 1955.

Mr. ROONEY. You would not have them included. You dropped them.

Mr. ANDRETTA. I told them to drop them but maybe they are still in these figures here. I will find out and certainly that would not be reflected in the civil work.

NOTE.—The 1955 figure included 9,059 so-called wetback cases. Regular criminal cases terminated in 1955 totaled 30,167.

Mr. ROONEY. It would appear from your chart, exhibit No. 22, that in 1956 you had more criminal cases terminated than in 1963; right?

Mr. ANDRETTA. 1962 as against 1963?

Mr. ROONEY. 1956 as against 1963.

Mr. ANDRETTA. Yes, sir.

Mr. ROONEY. In 1959?

Mr. ANDRETTA. Right.

INCREASE FOR OTHER SERVICES

Mr. ROONEY. All this leads us to this: In view of the falling off of the work in these comparative years, why do we now need $928,000 after you got a real big hunk last year; to wit, $905,000?

Mr. ANDRETTA. For example, let us go to the larger item, which is "Reporting services." We got a good chunk on that. We went from $677,000 to $900,000 for this year for other services. Even the $900,000 is $48,000 less than what we spent in 1963 for reporting, transcripts, contractual services, et cetera.

That is the big item we are beefing up for 1965 and that is $316,000 just for that one item alone.

Mr. ROONEY. When you were here last year, Mr. Andretta, you only asked for $879,200 under object 25, "Other services"; right?

Mr. ANDRETTA. I beg your pardon? How much?

Mr. ROONEY. $879,200?

Mr. ANDRETTA. Yes; that is correct.

Mr. ROONEY. In 1963 you asked for $677,200?

Mr. ANDRETTA. That is right.

Mr. ROONEY. Now we find that figure is $948,864?

Mr. ANDRETTA. Correct.

Mr. ROONEY. What policing is done over an item such as this?

Mr. ANDRETTA. We have only very little control over this, Mr. Chairman. This is litigating expense, and the attorneys in the field before grand juries or in court need and order transcripts. Very often before grand juries they have daily transcripts and have to buy copies for appeals of the full transcript and they have to——

TRANSCRIPTS OF COURT PROCEEDINGS

Mr. ROONEY. By the way, is it necessary to have daily transcripts before grand jury proceedings?

Mr. ANDRETTA. I have argued that with the lawyers. How can I impose my judgment on theirs? They are on the cases and interested in success. He is before the grand jury. He says, "Yes, I have to be prepared for tomorrow. I have to have this stuff."

Mr. ROONEY. All he has to do is to take a pencil and make a note of what he put in and proved?

Mr. ANDRETTA. I know; but I am certainly not going to tell him how to conduct his case——

Mr. ROONEY. I think the trial man would be more entitled to daily transcript than the grand jury man.

How much is in here for grand jury transcripts?

Mr. ANDRETTA. I do not know, offhand, but I can get the breakdown of this "Other services" exactly as to what it is going for.

Mr. ROONEY. It would be cheaper if it were not daily transcripts?

Mr. ANDRETTA. Sure. You know we employ the court reporter in most cases.

Mr. ROONEY. We never discussed this before.

Mr. ANDRETTA. We have a problem, too, and I would like to go off the record on this if I may.

(Discussion off the record.)

Mr. ROONEY. Where is the breakdown of the $315,500 for transcripts we have been addressing ourselves to?

Mr. BRADY. On page 21–21, Mr. Chairman.

Mr. ROONEY. You call that detail? That is a scenario.

If we contacted all of these U.S. attorneys imbued with the idea of helping the President in his attempts to cut the budget, we might find this all academic; right?

Mr. BRADY. That is right.

Mr. ROONEY. Can we depend on you to do something about this?

Mr. BRADY. You certainly can.

Mr. ROONEY. May we consider it done?

Mr. BRADY. The effort will be made, Congressman.

Mr. CEDERBERG. Would you rather have us do it for you?

Mr. ROONEY. Of course, Mr. Brady has the U.S. attorneys to look at, too; do you not?

Mr. BRADY. Ninety-two of them.

Mr. ROONEY. You would like to keep them all happy; would you not?

Mr. BRADY. Yes.

Mr. ROONEY. That becomes impossible.

Mr. Cederberg?

Mr. CEDERBERG. The only comment I have is that it appears the charts that have been put in the record by the chairman indicate there is some serious question as to whether all of these increases in transportation, rent, and so forth, are justified in the light of the workload. I would hope that some of these can be reduced to a more reasonable figure than what I see in the budget. I hope you will do what you can in that regard.

That is all I have.

Mr. BRADY. Certainly.

EFFECT OF PROPOSED NEW PAY LEGISLATION

Mr. ROONEY. Mr. Andretta, do you know whether or not U.S. attorneys are included in the proposed pay raise legislation which is about to come out of the Post Office and Civil Service Committee of the House?

Mr. ANDRETTA. I believe they are. I believe they raised the ceilings on U.S. attorneys and their first assistants.

Mr. ROONEY. How about the others?

Mr. ANDRETTA. No.

Mr. ROONEY. They are not in it?

Mr. ANDRETTA. I do not think so—not the assistants. The only go-around they have had is the one we had in the other pay act that permitted 7.5 percent increase last October. They were not in this January go-around at all with the other classified people. In the new pay act which I just read quickly, because there are two or three of them——

Mr. ROONEY. Is that the so-called Morrison bill?

Mr. ANDRETTA. Yes. My recollection is that they raised the ceiling of classes of employees and that U.S. attorneys are in a certain class being raised. Their ceiling is now $20,000. I think that is being raised but I forget what the figure is.

I believe also the limit for assistants is being raised. Of course, the rest of it is a bootstrap operation with assistant U.S. attorneys because they are not under the Classification Act. This pay bill, as I understand it, is an amendment either to the Classification Act or to the executive pay bill. So, on the other assistants it would be merely a matter of appropriation of money to carry it out. They are not bound by the Classification Act.

INCREASE IN ESTIMATE FOR PROMOTION PLAN COSTS

Mr. ROONEY. We were told last year that the money to be asked for this year for the promotion program for assistant U.S. attorneys would be less than $150,000, as I recall; is that right?

Mr. ANDRETTA. My understanding is that it would be less than $300,000 that we asked for at that time, I think.

Mr. ROONEY. I think Mr. Riley said:

* * * Hopefully, we will be able to reduce it next year to less than half of that.

Mr. ANDRETTA. Half of what?

Mr. ROONEY. $300,000.

Mr. ANDRETTA. Yes; maybe he did say that.

U.S. MARSHALS

Mr. ROONEY. If there are no further questions, we will proceed to the U.S. marshals.

The information with regard to U.S. marshals is to be found under tab 22 of the justifications book.

We shall at this point insert in the record pages 22–1 through 22–10 of the justifications.

(The pages follow:)

U.S. marshals

Appropriation, 1964	$11,940,000
Estimate, 1965	12,610,000
Increase	670,000

AMOUNT REQUESTED

It is estimated that $12,610,000 will be required to operate the U.S. marshals offices in the 1965 fiscal year. The increase of 1965 over 1964 amounts to $670,000 of which $282,100 is due to statutory requirements. The remaining $387,900 includes $100,000 for the reclassification of 200 field deputy positions and $287,900 for other operating costs, such as travel, communications, and other services.

GENERAL STATEMENT

U.S. marshals are officers under the Department of Justice but they also serve as ministerial officers of the Federal courts. They have a wide range of responsibilities in Federal law enforcement, carry out administrative assignments as directed by the Attorney General; execute lawful orders and commands of the Federal courts; serve process issued by Federal courts on behalf of the United States and private litigants; attend sessions of the district courts and courts of

appeal, when so required; serve process issued by congressional committees and governmental regulatory bodies; arrest, guard, and transport Federal prisoners; seize, guard, and sell, or otherwise dispose of, personal or real property pursuant to Federal court orders; and serve as disbursing officers for the Department of Justice and the U.S. courts.

The workload of the marshals' service showed an increase in fiscal 1963 as it did in fiscal 1962. This increase, which is expected to continue, is attributable to the enlargement and acceleration of court activities, and the influx of cases resulting from recent legislation expanding the scope of Federal criminal law, as well as the more vigorous efforts being exerted to enforce Federal laws, prosecute and combat organized crime and members of crime syndicates engaged in racketeering, gambling, narcotics peddling, counterfeiting, and other illegal activities. In conformity with the general departmental policy to hold employment in 1965 to the 1964 level, additional positions are not being requested despite the increase in the marshals' workload, as well as the increasing demands for the marshals' services in emergency situations. Every effort will be made to absorb these increases by the presently authorized staff.

It is expected that emergency situations will continue to arise, thereby placing an added burden on manpower and increasing operating expenses. In July 1962 deputies were sent to Louisiana to render assistance in the event of an anticipated disturbance during a primary election, and deputies from the District of Columbia were sent to New York City to assist in maintaining order and security during a trial of 14 defendants in a narcotic case. Following a shooting incident in a Federal courtroom, deputies were detailed to Tennessee to guard a petit jury and maintain order in the courtroom. It was necessary to send extra deputies into a Northern State to carry out a court order following a shooting during a railway strike. Several Government witnesses and their families were in protective custody and were guarded at their homes. Deputy marshals, in cooperation with other agencies, are performing more and more investigative and surveillance work, and assisting in raids in the gambling and narcotics fields. Deputy marshals are also performing surveillance and undercover work for the Department of Justice in areas where it is anticipated disturbances or noncompliance with court orders may occur.

It was necessary to request additional funds last year to cover the cost of an emergency situation which arose in a Southern State (Meredith case) which necessitated furnishing a large force of deputies to enforce a court order. A similar emergency arose in another Southern State late in the fiscal year. Deputy marshal guard details were maintained in both States.

Recently the Civil Service Commission authorized the reclassification of certain senior field deputy positions from GS–7 to GS–8. It is estimated that 200 positions will be affected and the annual cost of the upgrading will aggregate $100,000.

As previously explained in the justifications for additional future allowances for the U.S. attorneys' offices, the General Services Administration has supplied the Department with the proposed completion schedule of new Federal buildings throughout the country for the fiscal years 1965 through 1968. The estimated cost of furniture and equipment for both the U.S. attorneys' and marshals' offices for this period will aggregate $528,600. The marshals' share of this cost is $50,000 annually or $14,100 more than the amount currently available.

The Executive Office for U.S. Marshals is promoting better utilization of manpower and more efficient management and business administration through its executive development program. Conferences of U.S. marshals are planned on an annual basis, in addition to personal conferences, when necessary, to resolve local problems. The national training program, conducted by service personnel, involves training courses for chief deputy marshals and deputy marshals. These courses are essential in order to apprise new deputy marshals of their responsibilities and duties as well as Department policies and regulations. Refresher courses are held when possible for chief deputy marshals and regular deputy marshals. At the local level, U.S. marshals are encouraged to conduct in-district training programs.

Detailed explanation of increase

	Statutory provisions	Other	Total
11 Personnel compensation			$384,700
Carryover from 1964 on full-year basis (schedule II)	$165,000		
Statutory step increases	116,600		
Excludes cost for statutory step increases ($23,600) for those positions that will be upgraded from GS–7 to GS–8. See cost of upgrading listed below.			
Regular pay above 52-week base	−27,500		
To establish 200 senior field deputy positions on a selective basis by upgrading from GS–7 to GS–8		$100,000	
Guard hire:			
Increased volume of work		30,000	
Lapse adjustment		600	
Total	254,100	130,600	
12 Personnel benefits			28,000
Mandatory increase for existing staff	28,000		
21 Travel and transportation			137,000
To provide funds for a continuing increase in volume of work and emergency special assignments. The increased cost of travel, 1963 over 1962, was in excess of $173,000		137,000	
23 Rent, communications and utilities			51,500
Reimbursement to General Services Administration Federal telecommunications fund, as authorized by Public Law 87–847 approved Oct. 23, 1962. Reflects estimated cost ($22,000) of communications services provided by GSA		22,000	
Less nonrecurring provision for rent to be budgeted for by GSA in 1964		−2,300	
To provide funds for a continuing increase in volume of work		31,800	
Total		51,500	
25 Other services			40,000
To provide funds for a continuing increase in volume of work		40,000	
For the most part the major items of expense are storage of seized property, repairs to equipment (including trucks and buses), filing and recording fees, physical examinations, and advertising.			
26 Supplies and materials			32,100
Ammunition for in-district training program		10,000	
1965 request reflects a $75 unit cost per employee. The $75 unit cost includes purchase of gas and oil for all cars, trucks, and buses in the field		22,100	
Total		32,100	

	1964 estimate		1965 estimate		Statutory provisions	Other	Total
	Number	Amount	Number	Amount			
Equipment							−$3,300
Revolvers	100	$5,000	100	[1] $4,400		−$600	
Handcuffs	100	975	100	975			
Leg irons (pairs)	50	738	50	738			
Adding machines	25	8,850	25	[1] 9,475		625	
Electric typewriters	75	30,000	75	[1] 33,150		3,150	
Passenger-carrying bus for Arizona (for replacement of a 1956 Ford truck)		17,500				−17,500	
Passenger-carrying bus for the northern district of Illinois (for replacement of a 1955 GMC bus)		17,500				−17,500	
1-ton panel-type truck for the southern district of California (for replacement of a 1958 Dodge truck)				3,500		3,500	
1-ton panel-type truck for the southern district of New York (for replacement of a 1958 Chevrolet truck)				3,500		3,500	
2 1-ton panel-type trucks for the District of Columbia (for replacement of 2 1958 Dodge trucks)				7,000		7,000	
1-ton panel-type truck for the eastern district of Michigan (for replacement of a 1958 Dodge truck)				3,500		3,500	
4 1-ton panel-type trucks for California, N., Louisiana, E., New York, E. and Washington, W. at $3,500 each		14,000				−14,000	
Furniture (GSA-controlled buildings)		21,600		21,600			
Furniture (Post Office-controlled buildings)		16,000		16,000			
Furniture and equipment (for new Federal buildings)		35,900		50,000		14,100	
Miscellaneous items		4,437		15,362		10,925	
Total		172,500		169,200		−3,300	
Total increase, 1965					282,100	387,900	670,000

[1] Reflects unit price changes.

Workload data

	Actual			Estimated	
	1961	1962	1963	1964	1965
Service in process:					
Process served	675,124	700,179	758,430	760,000	780,000
Process endeavors	158,373	176,275	176,412	180,000	185,000
Total	833,497	876,454	934,842	940,000	965,000
Cases filed:					
Criminal	30,791	31,911	33,235	34,500	35,800
Civil, U.S. and private	58,293	61,836	63,630	65,000	66,000
Total	89,084	93,747	96,865	99,500	101,800
Defendants arrested	[1] 17,505	15,797	15,633	16,500	17,500
Prisoners handled	174,487	181,826	193,081	194,000	196,000
Hours in court	169,062	175,754	184,116	190,000	195,000
Earnings	$655,692	[2] $662,489	$755,744	$760,000	$810,000

[1] Includes some arrests by other Federal officers which were inadvertently reported by marshals.
[2] 1964 budget estimate excluded $103,483 for the District of Columbia.

INCREASE REQUESTED

Mr. ROONEY. This request is in the amount of $12,610,000, which would be an increase of $670,000 over the current year. The increases are set forth at pages 22–6 through 22–9 of the justifications book.

How much of the $670,000 requested increase is mandatory—required by statute?

Mr. ANDRETTA. $282,000.

Mr. ROONEY. Do you wish to address yourself generally to this, Mr. McShane; or would you rather we asked questions?

Mr. MCSHANE. I think it may be better your doing that than I, Mr. Chairman. Maybe we could discuss it in more detail.

INCREASE DUE TO RECLASSIFICATION OF POSITIONS

Mr. ROONEY. Why this $100,000 item at page 22–6?

Mr. MCSHANE. That is in relation to the new grade which has been established by the Civil Service Commission from a grade 7 to a grade 8. We would hope to have about 200 positions established which would roughly cost about $100,000. I think this is something that has been long overdue, Mr. Chairman. These deputies are paid these salaries and every year, and several times during the course of a year we ask them to go to certain areas in this Nation and sometimes their lives are at stake. They are exposed to serious bodily injuries which some of them have received and they are doing work outside of this in other areas in assisting——

Mr. ROONEY. Would these same people be included in the pending pay raise legislation?

Mr. MCSHANE. I believe so, yes, but despite that pay raise——

Mr. ROONEY. They were in the last pay raise legislation of 7½ percent?

Mr. MCSHANE. Yes, sir; they were.

TRAVEL INCREASES

Mr. ROONEY. You propose to do more traveling, too, do you?

Mr. MCSHANE. I think this will have to be a necessity, Mr. Chairman. Unfortunately, these situations that arise, I do not see in the foreseeable future where they will cease. I think we are going to have them for a number of years to come. It is unfortunate, but we do have to face the facts of life. I would anticipate this coming year there will be quite a bit of traveling in relationship to that.

Mr. ROONEY. How much of the $2,471,348 you spent for travel in 1963 was spent for railroad pullman as compared with coach or first-class air as compared with coach or tourist?

Mr. MCSHANE. I do not have those figures available, Mr. Chairman, but if necessary I can produce them for you.

Mr. ROONEY. Please insert that information at this point in the record.

(The information follows:)

Statement showing cost of first-class and economy travel for the 1963 fiscal year

	1st class	Economy	Total
U.S. marshals	[1] $129,600	[1] $145,560	$275,160

[1] Cost developed on a percentage basis by examination of approximately 750 travel vouchers.

Mr. BROWN. May I make an observation here?

Mr. ROONEY. Yes, Mr. Brown.

Mr. BROWN. This is mainly mileage for personally owned automobiles.

Mr. ROONEY. Compensation for use of private automobiles.

Mr. BROWN. Yes. But very little common carrier.

Mr. ROONEY. There must be some of the other there, too.

Mr. BROWN. Some.

Mr. ROONEY. Whatever it is, please insert that requested information in the record.

Mr. MCSHANE. That would be for the entire marshal service, Mr. Chairman?

Mr. ROONEY. What you spent out of the $2,471,348 in 1963.

Mr. MCSHANE. Yes, sir.

Mr. ANDRETTA. Actually, they ended with a balance against their travel allotment in 1963 because there was a supplemental we got on that southern affair. They came out all right but you will notice their allotment for 1964 is way short of what they spent last year.

The difficulty is to bring it up to the level of last year's expenditures.

Mr. Chairman, as you know, a good part of the marshals' travel is private——

SPECIAL ASSIGNMENTS

Mr. ROONEY. I would hope that would not be comparable and that we would not have to get into such a situation again.

Mr. ANDRETTA. Why?

Mr. ROONEY. Because of the Oxford, Miss., situation.

Mr. ANDRETTA. We are getting others to take the place of that.

Mr. MCSHANE. We have 35 deputies assigned at the moment to the Hoffa trial and they will be there as long as the trial lasts, which would be about 6 weeks.

Mr. ROONEY. Is that number necessary?

Mr. MCSHANE. I would think under the circumstances they are, particularly this trial.

EARNINGS OF MARSHALS

Mr. ANDRETTA. Mr. Chairman, as you well know, a good part of the marshals' travel is in behalf of private litigants. They get paid for it and this goes into the Treasury receipts, so we get a good part of this travel cost back in the form of earnings.

Mr. ROONEY. Where would we find the details of that?

Mr. ANDRETTA. Do you have the earnings figure, Jack?

Mr. BROWN. Earnings for the last year?

Mr. ROONEY. Page 22–10.

Mr. BROWN. Yes; it is on page 22–10.

The earnings in 1963 were $755,744.

Mr. ROONEY. That was out of an appropriation of how much?

Mr. BROWN. $12.6 million. No; $12 million, roughly.

Mr. ANDRETTA. They do not reimburse for salaries, Mr. Chairman.

Mr. ROONEY. That applies against the whole appropriation. This applies against their salary, does it not, working through private process?

Mr. ANDRETTA. Yes, sir. I do not think that figure gives the full effect of the new fee bill passed recently by the Congress. When we get the full effect of that, our earnings should go up appreciably.

Mr. ROONEY. Even with your expansive estimate, you would only realize $810,000 in the coming year out of an appropriation of what—$12.6 million?

What is the total U.S. marshal force at the present time?

Mr. MCSHANE. 1,070.

Mr. ROONEY. 1088 authorized?

Mr. MCSHANE. Yes, sir.

PERSONNEL INVOLVED IN DISBURSING FOR COURTS

Mr. ROONEY. How many of those are working on the disbursement of moneys in the courts?

Mr. ANDRETTA. All the marshals' offices disburse for the courts. It is very difficult to determine the manpower engaged in this specific thing.

Mr. ROONEY. You are the gentleman who ought to be able to estimate that.

Mr. BROWN. We made a study of that about 18 months or 2 years ago and we found that in the great majority of the offices, only a part of one person's time was devoted to the courts' work. I think there were only two or three offices where we could assign a full time person to that work and they were the larger districts.

Mr. ROONEY. Are you saying it is a very economic operation insofar as the taxpayer is concerned?

Mr. MCSHANE. Yes, sir.

Mr. BROWN. There is no question about it.

Mr. ROONEY. There would be no sense in having the courts do this disbursing themselves?

Mr. ANDRETTA. Yes, there would be.

Mr. ROONEY. No, there wouldn't, I respectfully submit.

Mr. ANDRETTA. I do not know why they need more manpower than we do. The clerks are already disbursing funds for some things. We disagree with them as to what manpower is necessary to do this operation.

They have the idea that they have to put on a lot of people and do not agree with the way we have been able to handle it.

The only reason we are pushing for it——

Mr. ROONEY. You do not need to elaborate. We understand.

Thank you, Mr. McShane and gentlemen.

Mr. MCSHANE. Thank you, Mr. Chairman.

TUESDAY, JANUARY 28, 1964.

FEDERAL PRISON SYSTEM

WITNESSES

JAMES V. BENNETT, DIRECTOR
FREDERICK T. WILKINSON, DEPUTY DIRECTOR
WILLIAM E. ZACHEM, BUDGET OFFICER

Mr. ROONEY. The next matter to which we shall direct our attention, gentlemen, is entitled "Federal Prison System." The appropriation language begins at page 102 of the committee print and details are to be found under tab 26 of the justifications.

We shall at this point in the record insert pages 26–1 and 26–2 of the justification book.

(The pages follow:)

Summary of requirements

[In thousands]

All appropriations, 1964:	
Salaries and expenses, Bureau of Prisons	$53,000
Less transfer to GSA for rent	−4
Buildings and facilities, Federal Prison System	9,525
Support of U.S. prisoners, Federal Prison System	4,100
Subtotal	66,621
Estimate, 1965	80,753
Increase, 1965 over 1964	+14,132

	Requirements		Increase
	1964 adjusted	1965	
Salaries and expenses, Bureau of Prisons	$52,996	$55,141	$2,145
Buildings and facilities, Federal Prison System	9,525	21,212	11,687
Support of U.S. prisoners	4,100	4,400	300
Totals	66,621	80,753	14,132

DIGEST

The Bureau of Prisons was created by the act of May 13, 1930. The Director of the Bureau of Prisons is responsible for the maintenance and operation of all Federal penal and correctional institutions, the construction of new prisons and facilities, and for the management and confinement of all Federal prisoners.

Funds are requested for the activities of the Federal prison system under three separate appropriations:

Salaries and expenses, Bureau of Prisons, $55,141,000

The funds in this appropriation are needed to operate the institutions of the Federal prison system. The requested net increase totals $2,145,000. The amount will provide for a 2-cent "Care" increase, higher utilities costs, full year financing of salary increases for commissioned officers and classified employees, maintaining the level of employment, and compensation for employee injuries.

Buildings and facilities, Federal prison system, $21,212,000

The amount requested under this appropriation will provide funds to continue construction of a psychiatric institution and a replacement for the National Training School, modernize inadequate electrical systems at six institutions, replace some temporary structures at Allenwood with permanent buildings, replace one powerplant and repair another, install a water treatment plant at Chillicothe, and continue repairs and improvements at various institutions.

Support of U.S. prisoners, Federal prison system, $4,400,000

This amount is required for the care of prisoners, boarded in non-Federal institutions, who are awaiting trial of serving short sentences.

Mr. ROONEY. These pages indicate that the total of the three appropriation items for the Federal prison system is in the amount $80,753,000, which would be an increase of $14,128,000 over the total appropriated for these three appropriation items in the current fiscal year. Is that correct?

Mr. BENNETT. Yes, sir.

Mr. ROONEY. Mr. Bennett, do you have a prepared general statement?

GENERAL STATEMENT

Mr. BENNETT. Mr. Chairman and gentlemen of the committee, I do not have a written general statement but perhaps I could make a few introductory remarks that would be helpful to you in understanding our appropriation.

This last year has been a pretty busy one for us. We have closed Alcatraz during the year; we have begun movement of prisoners into our new institution in southern Illinois; we have changed over and reorganized our camp system; we have held a number of sentencing institutes; and in addition to that our population has declined for the first time in a great many years.

Mr. ROONEY. You do not take credit for that, do you?

Mr. BENNETT. I take some credit for it, Mr. Chairman.

Mr. ROONEY. As the Director of the prison system?

Mr. BENNETT. No, sir; as a member of the group that is having some influence upon the courts in evening out sentences and dispensing a little more evenhanded sentences. The number of convictions have remained about constant, but the court commitments are on the decrease and the time spent in prisons is on the decrease, which accounts for this reduction in our average population of about 950 people.

BREAKDOWN OF REQUEST

The appropriations, as you have pointed out, total $80,753,000. Of that amount, $55,141,000 are operating expenses for salaries and expenses of our institutions, an increase of $2,145,000.

The other large item of increase is for continuation of our construction program, an increase over the amount appropriated last year of $11,687,000.

There is a $300,000 increase also in our appropriation for support of prisoners, that is to say, for boarding the prisoners in local jails and State institutions.

The major increases, Mr. Chairman, are to provide for the full staffing and full operation of our new institution in southern Illinois, at Marion, a total of $878,000 for this purpose. In addition to that is the amount needed to take care of the pay increases authorized by the Congress.

INCREASE IN "CARE" ALLOWANCE

We are also asking for an increase in our allowance for feeding, clothing, and providing medical services and so on for our inmates,

an increase to 86 cents per man per day. This 2 cents per man per day increase amounts to $177,000.

We are also asking for some additional funds, $82,000 to be exact, to take care of the increase in the cost of our utilities, lights, heat, and power.

POPULATION DECLINE

The population estimate that we project is a population of 23,200 men, an average of that, which is a reduction below the amount allowed us by the budget of 800 persons, which in effect cuts our estimate for care of prisoners by $240,000.

We are asking for no new positions and we are asking for no funds for brandnew facilities of any kind. Our institutions on the whole during the year have gotten along fairly well, although we have had the usual number of crises. No day goes by that we do not have a crisis of some kind, but on the whole we have gotten along pretty well despite the fact we have had to absorb the population that formerly was at Alcatraz.

INCREASE IN SERIOUS OFFENDERS

As I have pointed out, and as this committee has understood, there is an increasing number of serious offenders in our institutions. Bank robberies increased about 40 percent in the last year. On the other hand, the number of persons committed for violation of the liquor laws has decreased slightly. Likewise, there is a decrease in our immigration violators. But the number of those sent for drug racketeering——

Mr. ROONEY. You are losing business?

Mr. BENNETT. I am losing business at the wrong place, Mr. Chairman; I am losing business at the wrong place for my comfort.

Well, as I started to say, we have had our problems, but on the whole we have gotten along fairly well with only the usual number of difficulties.

INCREASES FOR CONSTRUCTION OF FACILITIES

Mr. ROONEY. Of course, when you said awhile ago that there is no money in this budget for new facilities, that is not exactly accurate because you have further money in this budget for the construction of the psychiatric institution at Butner, N.C., as well as construction money for the replacement of the National Training School; is that right?

Mr. BENNETT. Perhaps I phrased that wrong.

Mr. ROONEY. Right there you have $14 million.

Mr. BENNETT. I meant to say there was no brand new thing that had not previously been before this committee.

PSYCHIATRIC INSTITUTION

Mr. ROONEY. While we are talking about the overall picture, and before we get to the buildings and facilities item, what is the status of the construction of the psychiatric institution in North Carolina?

Mr. BENNETT. The bids for the foundations, the grading, and the utilities are coming in this week.

Mr. ROONEY. Have you estimated the date of completion?

Mr. BENNETT. Yes; we have estimated the date of completion. It is about 2 years from the 1st of January, last. That would be January 1, 1966.

REPLACEMENT FOR NATIONAL TRAINING SCHOOL

Mr. ROONEY. What has been done with regard to the preliminary work on the replacement for the National Training School?

Mr. BENNETT. The plans have been completed and the site has been acquired.

Mr. ROONEY. For the record, where is the site?

Mr. BENNETT. At Morgantown, W. Va. The bids are now under preparation for the grading and for the utilities at that location also.

ACTIVITIES BUILDING, SANDSTONE, MINN.

Mr. ROONEY. What this the status of the construction of the new activities building at Sandstone, Minn.?

Mr. BENNETT. That is being constructed by our own labor and I would say it is 30 percent completed.

Mr. ROONEY. Go ahead, please.

Mr. BENNETT. I think, Mr. Chairman——

Mr. ROONEY. You think you have said enough?

Mr. BENNETT. I may have said too much.

Mr. ROONEY. About the $14 million?

Mr. BENNETT. I expect to go into more detail on that a little later.

ESCAPES AT MARION

Mr. ROONEY. By the way, since you were talking about institutions, have you had many escapes at the new maximum security prison at Marion, Ill.?

Mr. BENNETT. Not many; no.

Mr. ROONEY. They have terrorized the countryside there, have they not?

Mr. BENNETT. I do not think they are terrorized. We have had our problems, as we always do in new institutions, but they are still friendly to us.

Mr. ROONEY. Have you as yet put a fence around it?

Mr. BENNETT. We have now; yes.

Mr. ROONEY. You did not have a fence initially?

Mr. BENNETT. No.

Mr. ROONEY. Would it not have been a good idea to put the fence up before you moved the prisoners there?

Mr. BENNETT. We had to make preparations for the fence by our own people.

Mr. ROONEY. How many escapes did you have?

Mr. WILKINSON. We have not had more, I think, than perhaps five or six walkaways; no escapes, Mr. Chairman.

Mr. ROONEY. In other words, if they walk away it is not an escape. Is that the idea?

Mr. WILKINSON. These men would be out on work details and as a matter of fact a couple of them were lost. They became so wrapped up in their work they got too far away from the main group.

Mr. ROONEY. And they wound up taking Mrs. Wagner's pies?

Mr. BENNETT. These are all minor offenders, Mr. Chairman.

Mr. ROONEY. I thought the construction of Marion was justified before this committee as a maximum security institution?

Mr. BENNETT. It will be as soon as we get the fences built, the stoves to working, and the apparatus going, and so on. We will use it for that.

Mr. ROONEY. Will our friend Blackie be able to take care of the stove?

Mr. BENNETT. He would be the first one to run.

Mr. WILKINSON. Blackie is at McNeil on the same job as at Alcatraz—he is taking care of the "stove" there.

Mr. ROONEY. The officers' dining room. He is a good man for that. Quite a novelist.

SALARIES AND EXPENSES, BUREAU OF PRISONS

Object classification

[In thousands of dollars]

		1963 actual	1964 estimate	1965 estimate
	BUREAU OF PRISONS			
11	Personnel compensation:			
	Permanent positions	30,623	32,197	34,113
	Positions other than permanent	480	453	480
	Other personnel compensation	1,475	1,719	1,777
	Total personnel compensation	32,578	34,369	36,370
12	Personnel benefits	2,452	2,604	2,718
21	Travel and transportation of persons	648	589	521
22	Transportation of things	324	298	271
23	Rent, communications, and utilities	1,217	1,342	1,448
24	Printing and reproduction	43	36	36
25	Other services	342	417	422
26	Supplies and materials	9,341	9,439	9,482
31	Equipment	873	1,222	1,225
41	Grants, subsidies, and contributions	190	188	188
42	Insurance claims and indemnities	2	58	75
	Subtotal	48,010	50,562	52,756
	Deduct quarters charges	−429	−435	−475
	Total costs, Bureau of Prisons	47,581	50,127	52,281
	ALLOCATION TO HEALTH, EDUCATION, AND WELFARE, PUBLIC HEALTH SERVICE			
11	Personnel compensation:			
	Permanent positions	2,132	2,491	2,603
	Positions other than permanent	1	1	1
	Other personnel compensation	43	62	62
	Total personnel compensation	2,176	2,554	2,666
12	Personnel benefits	320	162	167
21	Travel and transportation of persons	27	24	24
22	Transportation of things	50	40	40
25	Other services	4	1	1
	Total costs, Public Health Service	2,577	2,781	2,898
	Total costs	50,158	52,908	55,179
	Change in selected resources	79	88	−38
	Total obligations	50,237	52,996	55,141

Personnel summary

	1963 actual	1964 estimate	1965 estimate
BUREAU OF PRISONS			
Total number of permanent positions	4,957	5,090	5,064
Full-time equivalent of other positions	73	67	68
Average number of all employees	4,903	5,034	5,044
Employees in permanent positions, end of year	4,776	5,003	5,009
Employees in other positions, end of year	129	39	25
Average GS grade	7.5	7.6	7.6
Average GS salary	$6,557	$6,842	$7,131
Average salary of ungraded positions	$7,460	$7,542	$7,582
ALLOCATION TO HEALTH, EDUCATION, AND WELFARE, PUBLIC HEALTH SERVICE			
Total number of permanent positions	274	283	283
Average number of all employees	266	276	278
Employees in permanent positions, end of year	270	279	291
Employees in other positions, end of year	17	17	20
Average GS grade	8.8	8.7	8.8
Average GS salary	$7,376	$7,442	$7,982
Average salary, grades established by act of July 1, 1944 (42 U.S.C. 207)	$10,234	$10,979	$11,029

Now, as to the three items that make up the appropriation for the Federal prison system, we shall now turn our attention to the first of these, "Salaries and expenses, Bureau of Prisons." That can be found, as I stated a moment ago, beginning at page 102 of the committee print. The justifications are under tab 27 of the justification book.

We shall at this point in the record insert pages 27–1 through 27–13 of the justifications.

(The pages follows:)

Federal Prison System

[In thousands]

Appropriation, 1964	$53,000
Less transfer to GSA for rent	−4
Total, 1964	52,996
Estimate, 1965	55,141
Increase, 1965 over 1964	2,145

PART I. NEW DEVELOPMENTS

Population

The 1963 population averaged 23,796. It was a slight decrease from the 1962 average of 23,838 and a most welcome relief after 13 consecutive annual increases.

New commitments decreased about 1 percent from 1962. Auto theft continues to be the most common offense, with an increase of almost 2 percent in commitments to our institutions during 1963. Commitments of liquor law violators remained practically constant, showing an increase of 0.1 percent.

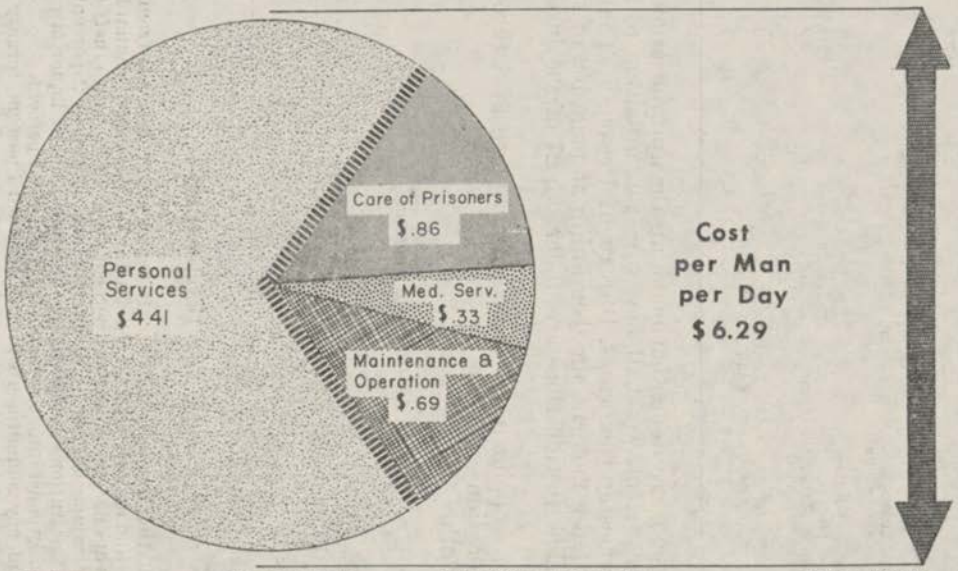
Juvenile delinquency commitments in 1963 declined 7 percent, forgery offenders decreased 3.3 percent, and immigration violators decreased 4.8 percent.

Two dominant factors appear to account for the halt in the long upward population climb. They are decreased court commitments and leveling of average sentence length, with a concomitant stabilization of the average time served figures.

No fund increases are requested in 1965 for population.

FEDERAL PRISON SYSTEM

ESTIMATED OBLIGATIONS FISCAL YEAR 1965



PERSONAL SERVICES		CARE OF PRISONERS		MAINTENANCE AND OPERATION		MEDICAL SERVICES	
Regular Salaries	$33,638,000	Food	$4,249,000	Administrative	$1,102,000	Allocation to P.H.S.	$2,898,000
Night Differential	612,000	Clothing	1,042,000	Utilities	2,169,000		
Part Time and Fees	480,000	Recreation, Education, Welfare	403,000	Vehicle Operations	380,000		
Extra Pay Above 52-week Base	145,000	Inmate Allowances	333,000	Bldg., Grounds, Facilities	1,423,000	ESTIMATED	
Holiday Pay	552,000	Medical Attention	412,000	SUBTOTAL	5,074,000	AVERAGE POPULATION:	24,000
Overtime Pay	468,000	Releases and Transfers	771,000	Equipment	1,022,000		
Benefits	2,718,000	Custody	324,000				
TOTAL	$38,613,000	TOTAL	$7,534,000	TOTAL	$6,096,000	TOTAL OBLIGATION -	$55,141,000

Program

Requests for assistance received by the Bureau of Prisons reached a new high in 1963. Personnel actively worked with the State Department, Justice Criminal Division and the FBI, the Marshals' Service, the Fort Worth PHS Hospital, and various State systems. Jail inspectors continued to operate inspection and training activities. The Construction section furnished architectural advice to State systems and foreign governments.

Sentence disparities remained a serious concern of the Bureau. The Director and his staff played an active role in judicial sentencing seminars. The most ambitious was held at Highland Park, Ill., in October 1962.

The demonstration projects continued to operate satisfactorily. The Detroit center opened in 1963 and is accepting Michigan State youths on a reimbursable basis. Planning is underway to open a guidance center in the District of Columbia.

The President's Committee on Juvenile Delinquency has joined the Bureau in the Englewood demonstration project to train employees in intensive correctional education. An HEW grant is being assigned to the Bureau to defray the additional cost.

The caseworker aid experiment has been tentatively evaluated as successful and plans are to make the positions permanent in several institutions. The "case aid" is an experienced correctional officer who performs many routine caseworker duties, thus enabling the social workers to concentrate on serious counseling cases.

Alcatraz and Greenville Camp were closed in 1963. The Greenville-Sewart transfer was marked by its smooth transition. Alcatraz was the more difficult as might be expected due to relocation of inmates and personnel.

Marion, Florence Detention Center, Detroit Guidance Center, and Sewart and Eglin Camps were opened without undue problems in 1963.

The Florence Detention Center and Detroit Guidance Center were activated without additional funds from the Congress through absorption within current appropriations. Sewart Camp utilized the Greenville allocation.

In preparation for the opening of the new psychiatric facility in Butner, N.C., the Prisons Medical Service is developing relationships with the staffs of universities and hospitals in that area.

Inmate volunteers continue to be active in medical researches of malaria, the common cold, diabetes, and other diseases.

A modern tuberculosis control program is being instituted to ensure early detection of active tuberculosis in newly committed inmates.

Table of increases

		Positions	Increase
1. Care increase of 2 cents			$177,000
2. Utilities rate increase			82,000
3. Full year financing of Marion positions		−26	878,000
4. Employee injury compensation			17,000
5. Commissioned officers pay increase			176,000
6. Full year financing schedule II pay increase			665,000
7. Maintaining level of employment			639,000
8. Nonrecurring items in fiscal year 1964:			
1 extra day	−$128,000		
Marion activation	−365,000		
GSA rent	+4,000		−489,000
Total		−26	2,145,000

Care increase of 2 cents ($177,000)

An increase of 2 cents to a total of 86 cents is requested in fiscal year 1965. The funds will be used in proportion of 40 percent for higher food costs; and for program improvement in medical attention (20 percent), in inmate allowances (20 percent), and in issue of officers uniforms (20 percent).

The 1963 Department of Labor wholesale price index shows an overall rise of 2.3 percent in processed foods. Based on demonstrated expenditures in 1963, the increase amounts to $73,600.

Expanded requests of courts and other agencies for psychiatric and psychological services have created an increased need for supplies, materials, drugs, and medicines in the medical attention program.

More liberal inmate mail privileges have resulted in a marked increase in mailing costs. Lewisburg reports that "In July 1961, with approximately 100 more inmates than we have now, a total of 8,085 letters were processed. For this July we had 12,879 letters." Under postal regulations agencies are required to make resurveys periodically to insure the amounts they are paying the Post Office Department are realistic. A January 1963 survey shows that the volume in all institutions' inmate mail has increased by $25,021.

Additional funds are requested also to provide for issue of uniforms to the increased number of employees in the service who wear uniforms.

Utilities rate increases ($82,000)

An analysis of utility costs for all institutions shows an increase of $115,284 in fiscal year 1963 over fiscal year 1962. Of this amount $82,398 is due to higher rates and purchase prices of oil, gas, and coal. There was no appreciable increase in the overall cost of purchased electricity and water, although a few institutions experienced upward price adjustments in those services. For example, Lompoc reported an increase of $17,000 in fiscal year 1963 for electricity and water rates charged by Vandenberg AFB.

Increased utility costs reduce the amount of funds available for corrective maintenance to physical plants and for other pressing needs. Funds are requested to recover utility increases experienced by institutions.

The request is based on:

Utility	Average price		Increase	Quantity used, 1963	Increased cost
	1962	1963			
Gas	$0.29898	$0.30004	$0.0106	12,459,884	$13,207
Oil	.065154	.082677	.0175	3,682,178	64,438
Coal	7.328	7.424	.096	48,638	4,669
Total					82,314

Full-year financing of Marion positions ($878,000)

The Marion institution was opened in the fourth quarter of fiscal year 1963 on a camp basis. The work force in fiscal year 1964 is gradually being expanded as the various units are completed, furnished, and thoroughly inspected. It is planned in fiscal year 1965 to operate the institution at full capacity and with a normal staff of personnel.

The fiscal year 1964 appropriation included funds for an average employment of 170, based on an approved normal complement of 266 positions.

A continuing review of manpower utilization at Marion indicates that the institution can be operated with a normal personnel staff of 240 permanent positions, resulting in a reduction of 26 positions. It is requested, therefore, that a downward adjustment be made in the number of authorized positions.

Funds are requested in fiscal year 1965 to provide for full-year staffing of all approved positions. The total complement by services will be:

Custodial	161
Food	7
Mechanical	30
Advisory	21
Administrative	21
	240

It is anticipated that approximately 43 will be wage board employees. Of the remaining 197 classified employees, it is expected that 161 will be grade GS–8 or below.

The fund request is based on compensation for:

Permanent positions (240 positions and personnel benefits)	$1,912,019
Positions other than permanent	27,100
Other personnel compensation	57,800
Total personal services	1,996,919
Less amount in 1964 base	−1,119,000
Appropriation required, fiscal year 1965	877,919

Employee injury compensation ($17,000)

Legislation enacted in 1960 (sec. 209, Public Law 86–767, 5 U.S.C. 785) requires Federal agencies to reimburse the employees compensation fund for payments made to persons formerly employed by the agency. During fiscal year 1963, the amount paid was $50,285. Fund request is based on:

Total benefits paid in 1963	$50,285
Less amount in 1964 base	−33,000
Balance required in 1965	17,285

Commissioned officers pay increase ($176,000)

The Uniformed Services Pay Act (Public Law 88–132) effective October 1, 1963, provided salary increases for PHS doctors and dentists assigned to the Federal prison service. The fund request is to finance the fiscal year 1965 cost of the increase and is based on:

Grade	Man-years	Annual base pay increase	Total increase
Director	24	$1,107	$26,568
Senior	7	1,318	9,226
Full	44	1,325	58,300
Senior assistant	29	1,328	38,512
Total	104		132,606
Special pay increase for years of service:			
Over 6 years, $50 per month			12,600
Over 10 years, $100 per month			31,200
Total, fiscal year 1965 cost			176,406

Full-year financing, schedule II pay increase ($665,000)

The 1964 appropriation includes $850,000 approved to finance the Federal Salary Reform Act of 1962 (Public Law 87–793). It was computed on the basis of 4,237 man-years of GS employment for regular Bureau rolls and 183 man-years of GS employment under the Public Health Service allocation. Of this amount $606,000 covers schedule II for 12.5 pay periods or 48.1 percent of a pay year for the permanent positions involved.

Funds are requested to finance the additional 13.5 pay periods in 1965, or 51.9 percent. The computation is $606,000 divided by 48.1 percent multiplied by 51.9 percent, totaling $653,873. To this is added $11,492 to finance the other 51.9 percent of the increased annual pay for personnel increases approved in the 1964 estimate. This is a total of $665,365 requested to finance in 1965 permanent positions approved through 1964 for classified employees on Bureau and in the Public Health Service allocation.

Maintaining level of employment ($639,000)

Additional salary funds to support the authorized level of positions will be required in fiscal year 1965. The increases are due to four factors:

(a) Wage board increases	$201,000
(b) 1 additional day's pay	151,000
Less amount in 1964 base	−128,000
Subtotal	23,000
(c) Within-grade increases	229,000
(d) Reduce lapses	186,000
Total	639,000

(a) During fiscal year 1963 a total of 856 wage board employees received $99,159 as a result of community wage surveys. The amount on an annual basis is $200,507, including retirement and insurance contributions. The fund request is the amount required to provide the 1963 increases in fiscal year 1965, and does not include funds for possible increases in 1964 or 1965. An additional amount is being requested as a supplemental to the 1964 appropriation.

(*b*) There are 261 work days in fiscal year 1965 compared with the normal 260. On the basis of the approved number of permanent positions $151,334, will be required to finance the extra day in 1965. The computation includes a deduction of $256,000 which is in the 1964 appropriation for 2 additional days. One day ($128,000) is in the nonrecurring items deducted from the 1965 appropriation base.

(*c*) The amount requested is the net additional requirement for those within grade increases which are not fully financed by turnover savings. The amount is computed on the basis of personnel rosters and reports submitted by each institution and reflects a deduction for turnover savings.

(*d*) Custodial security and safety of plant operations require the Bureau to fill most of its vacancies immediately. The lapse rate, therefore, must be held to approximately 2 percent. In spite of all efforts, the employment lapse rate climbs because of increased salary costs. The fund request is to reduce the 1965 lapse percentage from an anticipated 2½ percent to around 2 percent. No personnel increases are being requested in 1965 and it is important that authorized employment be maintained in the service to cope with an increasingly difficult population.

Mr. ROONEY. These pages indicate that this request is in the amount $55,141,000, which would be an increase of $2,141,000 over the amount appropriated in the current fiscal year. These increases of $2,141,000 are set forth at page 27–5.

STATUTORY INCREASES

How many of these increases are mandatory?

Mr. BENNETT. Mr. Chairman, I think they are all mandatory. I do not like to use that word "mandatory." We are not demanding anything, Mr. Chairman. These however are essential to the proper operation of our institutions.

Mr. ROONEY. We do not like the word "mandatory" ourselves so since we do not agree with you in this regard, let us use the word "statutory."

Mr. BENNETT. I think the pay increase is statutory.

Mr. ROONEY. How much?

Mr. BENNETT. The pay increase for the commissioned officers is $176,000; and the increase for the full year financing of the schedule II pay increase is $665,000; and the additional amount for maintaining the level of employment——

Mr. ROONEY. That is not statutory.

Mr. BENNETT. Well, it is allowed by this committee. You have given us an authorized organization and this is necessary to maintain that organization.

Mr. ROONEY. You do not need as much of an organization now that your prison population has gone down, do you?

Mr. BENNETT. This is the same level of employment that we had previously.

Mr. ROONEY. How much of of the $639,000 is for within-grade promotions, which are statutory?

Mr. BENNETT. $229,000.

Mr. ROONEY. Have you finished on the total of statutory items which make up part of this $2,154,000? Do you have the total?

Mr. BENNETT. The amount for the employee injury compensation, I think, is statutory.

NONSTATUTORY INCREASES REQUESTED

Mr. ROONEY. Would you like to try it the other way and point out those that are not statutory?

Mr. BENNETT. The care increase is not statutory.

Mr. ROONEY. And the next one, utilities rate increase, is not statutory, is it?

Mr. BENNETT. No, sir; but we have to pay the bill.

Mr. ROONEY. And the next one is not statutory?

Mr. BENNETT. That is right.

Mr. ROONEY. And the $639,000, with the exception of $229,000, is not statutory, is it?

Mr. BENNETT. Plus the wage board increases of $201,000.

Mr. ROONEY. $201,000 for wage board?

Mr. BENNETT. Yes; and the $23,000 for an extra day's pay.

Mr. ROONEY. That would make $453,000 out of $639,000?

Mr. BENNETT. That is correct, sir.

Mr. ROONEY. When did you set up these figures for the first time, July of last year?

Mr. BENNETT. The first time I went to the Budget was earlier than July.

Mr. BROWN. The first go-round was in May.

Mr. ROONEY. Last May?

Mr. BENNETT. Yes.

Mr. ROONEY. And last May what was your prison population?

Mr. BENNETT. I will have to insert that for the record, but I can guess it pretty close, about 23,400.

NOTE: 23,872 as of May 23, 1963.

BASIS FOR REQUEST

Mr. ROONEY. And was that the figure on which you based your request at that time?

Mr. BENNETT. No, sir. We based our request on a projected population of 24,000.

Mr. ROONEY. To repeat what you have just said, in May you had a population of 23,400; is that correct?

Mr. BENNETT. That is my recollection; that is about right.

Mr. ROONEY. And these figures are based on a population of how many?

Mr. BENNETT. 24,000.

EFFECT OF POPULATION DECLINE

Mr. ROONEY. And what is today's population?

Mr. BENNETT. Today's population has been averaging about 23,000.

Mr. ROONEY. What was it as of the last available date?

Mr. BENNETT. 22,791 on January 9.

Mr. ROONEY. In view of such a substantial variance between the present population of 22,791 as of January 9 and the 24,000 on which you based your estimates, how much do you propose to withdraw from this request?

Mr. BENNETT. $240,000.

Mr. ROONEY. That is all?

Mr. BENNETT. Yes, for the care of the prisoners.

Mr. ROONEY. You are only asking for $177,000 increase in connection with the care. In other words, you are withdrawing the entire requested increase plus how much?

Mr. BENNETT. We are withdrawing the entire requested increase on the population basis.

Mr. ROONEY. I am glad I asked that question. I do not think we would have found it if I had not.

I understand you to say the $177,000 increase was mandatory?

Mr. BENNETT. No, sir. That is an increase in the rate. We are getting 84 cents now and are asking for 86 cents.

Mr. ROONEY. Not only was it mandatory, it was statutory. A lot of times you do not need it; right?

Mr. BENNETT. We do not need it unless you agree with us that our per diem costs are going up.

Mr. ROONEY. Are you withdrawing this $177,000 now?

Mr. BENNETT. No. We are withdrawing $240,000 but want it replaced with $177,000.

Mr. ROONEY. Let us get this straight.

Mr. BENNETT. There is a $240,000 reduction due to reduction in population at the old rate, but to take care of 23,200 at the rate of 86 cents, that is the reason for the increase.

Mr. ROONEY. In view of the fact your population has decreased from 24,000, which was the figure you used as the basis for your estimate last May, to 22,791, how much are you withdrawing?

Mr. ZACHEM. The $177,000, Mr. Chairman, is the requested increase of 2 cents in our care per capita.

Mr. ROONEY. Read the question, please.

(The question was read by the reporter as above recorded.)

Mr. BENNETT. $63,000.

Mr. ROONEY. Are you also withdrawing $177,000?

Mr. BENNETT. No, sir.

Mr. ZACHEM. The $240,000 is the reduction in our population base projected at 84 cents. The 24,000 population was already in our 1964 population base.

Mr. ROONEY. Let us try this once again: In view of the error in estimating your expected population as of last May, how much are you now withdrawing out of the request before us?

Mr. BENNETT. $240,000.

AUTOMOBILES

Mr. ROONEY. What about these 24 automobiles at page 102 of the committee print?

Mr. ZACHEM. The 24 automobiles we are asking for, 20 are replacements and 4 are for expansion of our automobile fleet.

Mr. ROONEY. Expansion?

Mr. ZACHEM. Yes, by four vehicles.

Mr. ROONEY. Please insert the mileage figures and the description and years of these automobiles in a chart at this point in the record.

Mr. ZACHEM. Yes, sir.

(The information follows:)

Passenger vehicles to be replaced in fiscal year 1965

Model year	Make	Type	Projected cumulative mileage in fiscal year 1965 [1]
1954	Chevrolet	2-door sedan	60,000-79,999
1956	do	4-door sedan	80,000-99,999
1956	Ford	do	60,000-79,999
1956	Chevrolet	do	60,000-79,999
1956	do	do	60,000-79,999
1957	do	do	60,000-79,999
1957	Plymouth	do	60,000-79,999
1958	Chevrolet	do	80,000-99,999
1958	Buick	2-door sedan	60,000-79,999
1958	Pontiac	4-door sedan	60,000-79,999
1958	Oldsmobile	do	60,000-79,999
1959	Studebaker	do	60,000-79,999
1955	De Soto	do	40,000-49,999
1956	Chevrolet	do	40,000-49,999
1956	Buick	2-door sedan	40,000-49,999
1956	Chevrolet	4-door sedan	50,000-59,999
1960	Plymouth	do	60,000-79,999
1960	Chevrolet	do	60,000-79,999
1960	Nash	do	60,000-79,999
1961	Chevrolet	do	60,000-79,999

[1] Source of information is standard form 82b (annual motor vehicle report) for fiscal year 1963 consolidated for submission to GSA.

Mr. ROONEY. Where are the four new vehicles to be used?

Mr. ZACHEM. One at Ashland, one at Petersburg, one at Terre Haute, and one at Safford, Ariz.

VARIATIONS BETWEEN THE PRISON POPULATION AND THE ESTIMATES

Mr. ROONEY. It seems that each succeeding year there are errors made in the estimation of the prison population. Of course this is understandable. You have no control over the population; you get the population from the courts. But each year we find this to be the fact. For instance, you estimated a figure of 25,000 a year or so ago for the present time, did you not?

Mr. BENNETT. Yes, sir.

Mr. ROONEY. And you are down to 22,791. Why is it it costs the taxpayer more and more each year? We never get anything back as a result of your errors in estimation beforehand in the expected population.

Mr. BENNETT. I would like to insert in the record for you the growth in our population. It fluctuates up and down from year to year.

Mr. ROONEY. That is exactly what I have been saying. That is what I based my question on. How is it that even though when you come here you are way below what you expected the year before, there is never any reduction in the money it will cost the taxpayer? We are talking about peanuts when you talk about that $240,000 which you grudgingly agreed to awhile ago.

INCREASED PERSONNEL AND PERSONNEL COSTS

Mr. BENNETT. I cheerfully agreed to it, Mr. Chairman. The reason it costs the taxpayers more money is that it costs more money for food,

salaries, utilities, and so on. The principal increase is the increased cost brought about by pay increases.

Mr. ROONEY. To put it another way, if I understand what you are saying, although the prison population goes down your personnel and personnel costs go up?

Mr. BENNETT. Not the number of personnel but the cost.

Mr. ROONEY. Do you have the figures on number of personnel there?

Mr. BENNETT. Yes, sir; we do have.

Mr. ROONEY. May I see them, please? Do you have a chart on personnel there?

Mr. BENNETT. Here are the figures on population.

Mr. ROONEY. I am asking for personnel.

Mr. BENNETT. You are looking for a personnel chart over the years? I will have to insert that, Mr. Chairman, but our allowed personnel complement has not changed materially. It has not increased except for the relatively few personnel you allowed us a couple years ago for our caseworker services, and for stenographers. The complement of our custodial officers has remained substantially the same for quite some time.

Mr. ROONEY. At this point please insert in the record a statement covering 10 years insofar as total number of personnel in the Bureau of Prisons. Do you have it?

Mr. ZACHEM. I think so, Mr. Chairman.

Mr. ROONEY. Please let us look at it.

It is just as I thought. In 1953 you had 4,040 permanent employees; in 1954, 4,037; 1955, 4,113; 1956, 4,211; 1957, 4,256; the same in 1958; 4,355 in 1959; 4,720 in 1960; 4,690 in 1961; 4,812 in 1962; and your estimated figure for 1963 was 4,957.

What is the present total of permanent employees as of the last available date?

Mr. ZACHEM. As of November 30 we had 4,869 employees on our salaries and expenses rolls.

Mr. ROONEY. These figures which I just read into the record do not include a substantial number of other employees. Is that correct?

Mr. BENNETT. We have in addition to that the Public Health Service personnel and industrial personnel.

Mr. ROONEY. You had 267 in 1962 and 268 in 1963 under Public Health Service; right?

Mr. BENNETT. That is right.

Mr. ROONEY. Then you have employees in connection with buildings and facilities of 40?

Mr. BENNETT. Yes.

Mr. ROONEY. And about 56 employees in the Commissary Department; right?

Mr. BENNETT. Yes.

May I say, in explanation of some of these, during the time the personnel increased the prison population also increased and we opened up some new institutions, some new camps, a new detention facility.

Mr. ROONEY. My thought is that with all these errors in estimates on which you based your requests for appropriations, your requests do not go down. When you have a drop from 24,000 to 22,791, $240,000 is a mere pittance.

Mr. BENNETT. You have to remember we have to run these institutions, regardless of whether there is 90-percent occupancy or 110-percent occupancy so to speak. We have to man them, we have to supervise them, and we cannot reduce our personnel exactly into ratio to the population.

Mr. ROONEY. Are there any questions, gentlemen, with regard to "Salaries and expenses, Bureau of Prisons"?

INCREASE FOR CARE

Mr. CEDERBERG. When was the last time you had a care increase?

Mr. BENNETT. Last year.

Mr. CEDERBERG. How much was it this year?

Mr. BENNETT. 1 cent.

Mr. CEDERBERG. You are talking for 2 cents next year?

Mr. BENNETT. Yes.

Mr. CEDERBERG. Why do you need 2 cents this year if you got by with 1 cent last year?

Mr. ROONEY. Is that right?

Mr. BENNETT. Our calculation of the increased cost of our food and clothing and so on indicates that that will be necessary if we are to maintain the same level of care.

Mr. CEDERBERG. You did not ask for 2 cents thinking you would get 1, did you?

Mr. BENNETT. You are a very astute gentleman, sir.

Mr. CEDERBERG. You might supply the answer for the record.

Mr. BENNETT. Might I say 86 cents per man per day is awfully cheap for food, clothing, and so forth for a prisoner. Just try to buy a good sandwich for that. We are feeding each man 3,000 calories, we are keeping them warm, we are clothing them adequately, a great deal of the clothing being excess from the Army, and you have no idea how much the price of medicine has gone up. It is almost scandalous how they have set up the price of antibiotics and tranquilizers.

Mr. CEDERBERG. They are not living in poverty?

Mr. BENNETT. They are living at a very low subsistence level.

TRANQUILIZER BILL

Mr. ROONEY. How big is the tranquilizer bill?

Mr. BENNETT. I will supply it for the record, but I would estimate it is $50,000 a year.

Mr. ROONEY. Is that right?

Mr. BENNETT. Yes.

Mr. ROONEY. That is very interesting.

Mr. BENNETT. We have a lot of mental cases in our institutions, an increasing number, and it is expensive business to keep those fellows and medicate them and so on.

Buildings and Facilities

Object classification

[In thousands of dollars]

	1963 actual	1964 estimate	1965 estimate
BUREAU OF PRISONS			
11 Personnel compensation:			
Permanent positions	220	77	77
Positions other than permanent	----------	156	167
Other personnel compensation	----------	2	1
Total personnel compensation	220	235	245
12 Personnel benefits	17	19	20
32 Lands and structures	3,412	7,159	20,316
Total costs	3,649	7,413	20,581
Unfunded adjustments to total operating costs: Property or services transferred in without charge	−104	----------	----------
Total costs, Bureau of Prisons	3,545	7,413	20,581
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
32 Lands and structures	2,857	165	----------
Total costs	6,402	7,578	20,581
Change in selected resources	−3,182	2,874	663
Total obligations	3,220	10,452	21,244

Personnel summary

	1963 actual	1964 estimate	1965 estimate
Total number of permanent positions	50	52	52
Average number of all employees	28	30	31
Employees in permanent positions, end of year	18	10	10
Employees in other positions, end of year	0	40	40
Average GS grade	10.3	10.3	10.3
Average GS salary	$9,346	$9,695	$10,067
Average salary of ungraded positions	$7,577	$7,671	$7,756

Mr. Rooney. The second of the items for the Bureau of Prisons is entitled "Buildings and facilities, Federal prison system," and is to be found at page 108 of the committee print.

Mr. Bennett. Mr. Chairman, if you would care to have me do so, I can explain that overall figure generally and then we can talk about the details, if you would care to have me do so.

Mr. Rooney. The details are to be found under tab 28 of the justifications. They indicate the request is in the amount $21,212,000, which would be an increase of $11,687,000 over the amount appropriated in the current fiscal year.

We shall at this point insert in the record pages 28–1 through 28–13.

(The pages follow:)

Buildings and facilities, Federal prison system

[In thousands]

Appropriation, 1964	$9,525
Estimate, 1965	21,212
Increase, 1965 compared with 1964	11,687

Buildings and facilities

1. Construction psychiatric hospital	$7,460,000
2. Replacement for National Training School	7,650,000
3. Water treatment plant, Chillicothe	300,000
4. Allenwood Camp rehabilitation	500,000
5. Electrical rehabilitation	2,019,000
6. Powerplant replacement	1,683,000
7. Repairs and improvements	1,600,000
Total	21,212,000

Eastern Medical and Psychiatric Center ($7,460,000)

Funds totaling $1,200,000 were appropriated for the project in fiscal years 1962 and 1963 to accomplish detailed planning, site preparation, and preliminary utilities. An additional amount of $7,150,000 is included in the 1964 appropriation to begin construction. The project engineer is on the site and the project is underway.

The original cost estimate of $16,735,000 was based on a detailed architectural program developed in November 1961 and reviewed with the Bureau of the Budget. The total was subsequently reduced voluntarily by Prisons because of savings resulting from a donated site.

The 1964 budget request increased the total construction estimate to cover price rises in construction costs indexes during the period. The total was reduced by $1,800,000 during the 1964 budget review. It was agreed then that an increase could be requested in future budgets if the reduction proved to be excessive.

A detailed cost estimate has been refined and submitted by the contract architect, A. L. Aydelott & Associates, Memphis, Tenn. It is apparent that the 1964 total cost estimate will fall short of covering the final cost of construction.

It is requested that $7,460,000 be provided in the 1965 appropriation.

Recapitulation of the funds is:

Total estimate, fiscal year 1962	$16,735,000
Less site savings	−400,000
Plus increased costs indexes	+965,000
Total estimate, fiscal year 1963	17,300,000
Budget review reduction	−1,800,000
Subtotal	15,500,000
Increased estimate, fiscal year 1964	+310,000
Total estimate, fiscal year 1964	15,810,000
Previous appropriations	−8,350,000
Fiscal year 1965 appropriation requested	7,460,000

Replacement of National Training School (7,650,000)

Planning funds for replacement of the National Training School were appropriated in fiscal year 1963. The $250,000 is being used for site studies and for preliminary architecteural work.

An additional $600,000 is provided in the 1964 appropriation. An excellent site is being acquired at Morgantown, W. Va., and an architectural contract has been executed with C. E. Silling Co., of Charlestown, W. Va. The funds provided will accomplish site acquisition, some site preparation, and completed working drawings. A general construction contract can be let early in fiscal year 1965 if the balance of funds is available.

The 1965 fund request is based on:

Total construction estimate, 1963	$8,500,000
Previous appropriations	−850,000
Fiscal year 1965 appropriation	7,650,000

Water treatment plant, Chillicothe ($300,000)

The reformatory at Chillicothe was originally the site of a World War I military installation which was converted to a correctional institution in 1926.

Water treatment for Chillicothe is an essential requirement due to the excessive hardness of the water and the dissolved solids. Standard water softening equipment does not remove sufficient iron to meet the recommended public health standard for domestic water supply. The calcium, magnesium, and iron content cause excessive maintenance problems and complete obstruction of piping in as short a period as 9 months.

Funds are requested to purchase and install a water treatment plant with the necessary water storage facilities, pumps, piping modification, and other complementary auxiliary equipment.

Allenwood camp rehabilitation ($500,000)

The Federal prison camp was established in 1951 at Allenwood, Pa., for a classified purpose. Occupation of land, buildings, and other appurtenances was by revocable permit from the Army Corps of Engineers. The land, which is about 15 miles from the Lewisburg Penitentiary, had been utilized previously by the institution as a farm subsidiary. During World War II it was a military ordnance subdepot.

The Bureau recently obtained title to the camp with about 4,300 acres of land. The inmate population has been increased to almost 300 minimum custody offenders. Farming operations, consisting mostly of beef cattle herds, have been expanded. Federal Prison Industries established a small factory there which manufactures executive-type furniture.

The present buildings are temporary wood construction, extreme fire hazards, and structurally weak. Roads are very poor and utilities deteriorated. A long-range plan has been developed to replace the unsatisfactory structures with permanent buildings, improve utilities distribution, and install exterior lighting.

Two permanent dormitories are being erected with funds allocated by the Area Redevelopment Agency. Funds are requested to continue the rehabilitation. Majority of the work will be accomplished with inmate labor.

Items included are:

Replacement of 1 100-man dormitory (making a total of 3)	$123,000
Replacement of dining room-kitchen including equipment	165,000
Grading, drainage, roads, walks, and exterior lighting	59,000
Utilities improvements	122,000
Communications equipment	5,000
Surveys, fees, and contingencies	26,000
Total	500,000

Electrical rehabilitation ($2,019,000)

In the course of 20 years or more, the electrical systems of various institutions have become obsolescent and dangerous. The steadily rising demands of increased equipment and expanded facilities make it imperative that modernization be undertaken immediately.

Six institutions in particular have major deficiencies in their electrical distribution systems which require prompt attention. Preliminary surveys have been made at each institution by consulting engineers and the Bureau staff. Their findings indicate the conditions of the systems constitute a definite fire hazard in several cases and that the systems will probably fail at an early date. The situation appears so serious that the Bureau has contracted or is contracting for immediate preparation of corrective working drawings at four institutions and is itself preparing drawings for the remaining two. Thus it will be possible to begin the repair work as soon as funds are appropriated.

The estimates appearing below are based on the surveys made by the engineers.

Petersburg	$395,000
Milan	297,000
Springfield	358,000
El Reno	316,000
Ashland	251,000
Chillicothe	402,000
Total	2,019,000

Inmate labor will be used in this work wherever feasible. However, some of the more technically complex or dangerous projects will have to be contracted.

Powerplant replacement, $1,683,000

The financial plan for fiscal year 1965 proposes replacement of the powerplant at Ashland and extensive repair of the powerplant at Springfield. Both facilities meet the life expectancy criteria of 20 to 25 years used by engineering experts.

The Ashland plant was in the original construction of the institution which was built in 1938–39. In addition to obsolescence and normal wear, it lacks sufficient capacity to supply the increased needs of the institution. It will require extensive repairs and additions if replacement is not made.

The project is included in the Bureau's long-range construction program. It is contemplated that replacement will be by contract due to the youthful age of the population.

The Ashland estimate is based on:

Building	$294,000	Booster pumps	$4,000
Boilers and foundations	300,000	Air compressor	4,000
Switchgear	140,000	Emergency generator	125,000
Water softeners	31,000	Piping and new tunnel	98,000
Water heaters	20,000	Contingencies	56,000
Feed water heater	8,000	Engineering fees and site work	78,000
Surge tanks	3,000		
Boiler FWP	7,000		
Brine system and equipment	75,000	Total	1,243,000

The Springfield Medical Center powerplant dates back to 1933 when the hospital was opened. There has been a considerable amount of malfunctioning in its heating, water treatment, refrigeration, and related equipment. Operating personnel are deeply concerned and replacement should be accomplished as expeditiously as possible.

Replacement of the powerplant is included in the Bureau's long-range construction program. The estimate of $1,500,000 contemplates locating the new plant outside the compound. At this time, however, it is considered more expedient to replace only the boilers. Fund request is based on:

New boilers and foundations	$373,000
Engineering and contingencies	67,000
Total	440,000

Repairs and improvements, $1,600,000

The funds requested are for nonrecurring major plant repairs and improvements to the buildings and facilities of various institutions. The magnitude of the backlog in repairs and improvements is shown in table A, "Backlog of repairs and improvements," and table B, "Major utility rehabilitation projects."

The Bureau of Prisons has made considerable progress in the past few years on R. & I. projects. It is, however, a difficult process to keep abreast of current needs and to make significant inroads on backlogs accumulated for many years.

A recent survey revealed the interesting statistic that 31 years is the average age of institutions in the system. McNeil Island is 74 years old, Atlanta 61, and Leavenworth 59. There is a group of "newer" institutions built with PWA funds in the late thirties which are almost 25 years old.

There is a continuing and urgent need for the funds. The Bureau's Construction and Mechanical Division is geared to carry on the work if funds are made available. A very high percentage of the institutional work will be accomplished with inmate labor.

TABLE A.—*Analysis of Repair and Improvement Backlog, August 1963*

[In thousands of dollars]

Institution	Total	Heating and ventilating	Electric and refrigeration	Water and sewage	Inmate quarters repairs	Other institution facilities	Roofs	Sidewalks and roads	Floors	Custodial facilities	Residences
Alderson	630		258		269	53		50			
Ashland	171	59	17	39		25	9	2	11	9	
Atlanta	903		62	80	97	520		17	19	108	
Chillicothe	278	4	37	9	18	76	2			116	16
Danbury	111	2				45	52		2	2	8
El Reno	273	38	39	13	87	89		7			
Englewood	479	28	38	14		232	42	48	21	30	26
Florence	113	5	23	12	19	26		23			5
La Tuna	231	5		12		166	3	27		16	2
Leavenworth	975	77	20	14	77	322	15	22		411	17
Lewisburg	585	9	170	42	39	160	27	18	1	110	9
Lompoc	218	34	1	17		126		16	6	18	
McNeil Island	522	31	14	88	5	284		35	32	23	10
Milan	286	14	33	6		151			6	74	2
Montgomery	30					25		5			
National Training School	129			8	6	103		10	2		
Natural Bridge	44		11	4	25	4					
Federal Detention Headquarters	53			4		3	41			5	
Petersburg	412	78	64		15	199	2	20		27	7
Safford	79		3	51		3		5	15		2
Sandstone	300	28	83	10	8	136		20		10	5
Seagoville	590	34	122	16		296	3	91	1	19	8
Springfield	337	76		2		108		9		142	
Tallahassee	303	50	44	3		177		7		22	
Terminal Island	227		11		28	165	1	7	1	14	
Terre Haute	162	12		45	31	41				33	
Texarkana	288		23	9		172		66		18	
Tucson	77	19	16	31	11						
Total	8,806	603	1,089	529	735	3,707	197	505	117	1,207	117

TABLE B.—*Major utilities rehabilitation requirements, August 1963, estimated costs*

Institution	Totals	Primary electric	Secondary electric	Plumbing	Refrigeration	Sewage disposal	Protective lighting	Heating
Alderson	$75,000					$75,000		
Ashland	537,000	$251,000	$218,000	$68,000				
Atlanta	100,000						$100,000	
Chillicothe	1,277,000	402,000	875,000					
Danbury	360,000	110,000	250,000					
El Reno	622,000	316,000						$306,000
Englewood	40,000	40,000						
La Tuna	100,000		100,000					
Leavenworth	626,000	25,000	150,000	77,000	$125,000		75,000	174,000
McNeil	750,000	400,000				350,000		
Milan	652,000	297,000	150,000					205,000
Petersburg	445,000	395,000				50,000		
Springfield	1,083,000	358,000	550,000		75,000		100,000	
Terre Haute	60,000						60,000	
Total	6,727,000	2,594,000	2,293,000	145,000	200,000	475,000	335,000	685,000

Mr. ROONEY. The request is set forth at page 28–2. We might look at that while Mr. Bennett goes ahead, as he suggested, with his overall remarks.

GENERAL STATEMENT

Mr. BENNETT. Of the amount of $21,212,000, Mr. Chairman, there is included for the second installment on the construction of the psychiatric facility in North Carolina, $7,460,000. There has already been appropriated for this institution $8,350,000. This constitutes the final payment, so to speak, on that hospital.

NEW NATIONAL TRAINING SCHOOL FOR BOYS

The other principal item is for the full funding of the cost of constructing the replacement for the National Training School for Boys, a total of $7,650,000 for that institution. There has already been appropriated $850,000, making the total allowance for that institution $8,500,000.

ADDITIONAL POWERPLANTS AND UTILITIES

In addition to that we are asking for some additional powerplants and other utilities. The first of these is a water treatment plant at our institution at Chillicothe, Ohio, $300,000. The water at Chillicothe, Ohio, is very hard and has stopped up our pipes out there and has made necessary the replacement of large amounts of our piping. By treating the water we think we can prevent that accretion of minerals in our piping system which stops it up.

OTHER CONSTRUCTION

In addition, we are asking for $500,000 to build one dormitory, and a new system of utilities and a new kitchen for our camp at Allenwood, Pa.

As the committee knows, a lot of our institutions are very old and the time has come when it is necessary to spend a very considerable amount for rehabilitating our electrical systems. Petersburg, Va., for example, was constructed 33 years ago. Since that time it has increased in size and there has been a great deal of deterioration.

There is an item of $1,683,000 for powerplant replacement at Ashland, Ky., and Springfield, Mo.

ESTIMATED 1965 OBLIGATIONS

Mr. ROONEY. Of course, Mr. Bennett, most of that information is in the sheets I have already inserted in the record, so due to the fact there is a pending rollcall in the House which we must attend, let me ask: Of the $7,460,000 for the psychiatric center in North Carolina, how much would be obligated in 1965?

Mr. BENNETT. All of it.

Mr. ROONEY. And how much of the $7,650,000 for replacement of the National Training School will be obligated in 1965?

Mr. BENNETT. All of it, sir.

Mr. ROONEY. How much of the $21,212,000 total for the seven items at page 28–2 will be obligated in fiscal year 1965?

Mr. BENNETT. We think all of it will be obligated, sir.

Mr. ROONEY. You want us to think about it?

Mr. BENNETT. We are able to obligate it, sir. If you ask me how much will be spent, actually withdrawn from the Treasury, that is a different story.

PRIORITY OF PROPOSED PROJECTS

Mr. ROONEY. Can you set up a priority in these seven items on page 28–2?

Mr. BENNETT. Yes, sir.

Mr. ROONEY. Please do so.

Mr. BENNETT. Beginning from the top, the most important is the final payment on the psychiatric hospital.

Next to that is the National Training School replacement.

Next to that, I guess, is the water treatment plant at Chillicothe.

Next to that is the electrical rehabilitation.

Powerplant replacement would be next.

The Allenwood camp rehabilitation would be last.

One million dollars of the repairs and improvements would be quite high on our list. I will have to insert that a little higher. So our lowest priority would be about $500,000 of the repairs and improvements.

May I go over that once more?

Mr. ROONEY. Yes, if you want to change it. I think you had the Allenwood camp rehabilitation in seventh place?

Mr. BENNETT. That is the bottom one; $500,000 of the repairs and improvements would be in the sixth place.

Mr. ROONEY. What is in the sixth place?

Mr. BENNETT. $500,000 of the $1.6 million requested for repairs and improvements.

Mr. ROONEY. Let us go over that again. Which is the last priority?

Mr. BENNETT. The Allenwood camp rehabilitation.

Mr. ROONEY. Which is in the sixth place?

Mr. BENNETT. $500,000 of the total of $1.6 million for repairs and improvements.

Mr. ROONEY. Are there any questions with regard to buildings and facilities?

Mr. SLACK. I have no questions.

Mr. CEDERBERG. Are you staying within your original estimates?

Mr. BENNETT. Yes, sir.

Mr. CEDERBERG. I noticed on one, your estimate was high. When you completed the Marion prison, were you within your estimate on that?

Mr. BENNETT. Yes, sir.

Mr. ROONEY. Excuse me. Awhile ago when you were referring to the replacement for the National Training School, did you use the word "acquired" the site or "purchased" the site?

Mr. BENNETT. However I used it, we purchased it.

Mr. ROONEY. For how much?

Mr. BENNETT. $180,000.

SUPPORT OF U.S. PRISONERS

Object classification

[In thousands of dollars]

		1963 actual	1964 estimate	1965 estimate
11	Personnel compensation: Positions other than permanent	106	106	114
12	Personnel benefits	6	6	7
25	Other services	3,958	3,972	4,261
26	Supplies and materials	2	2	3
41	Grants, subsidies, and contributions	14	14	15
	Total—obligations	4,086	4,100	4,400

Personnel summary

	1963 actual	1964 estimate	1965 estimate
Average number of all employees	5	5	5
Employees in permanent positions, end of year	0	0	0
Employees in other positions, end of year	0	0	0

Mr. ROONEY. The third item is entitled "Support of U.S. Prisoners, Federal Prison System," and is to be found at page 111 of the committee print. The details are to be found under tab 29 of the justification book.

We shall insert at this point in the record pages 29–1 and 29–2 of these justifications.

(The pages follow:)

Support of U.S. prisoners, Federal prison system

[In thousands]

Appropriation, 1964	$4,100
Estimate, 1965	4,400
Increase, 1965 over 1964	300

PART IV. JUSTIFICATION-SUPPORT OF U.S. PRISONERS, 1965

An appropriation of $4,400,000 is requested to cover the costs of confining prisoners in State and local institutions.

There are presently 749 contracts or letters of authority in effect with non-Federal institutions. This includes 73 contracts that were executed at increased rates during fiscal year 1963.

The inmate man-days for fiscal year 1963 were 1,204,126 and a steadily increasing average daily cost now brings the rate to $3.39 in 1963 as compared to the 1962 average daily cost of $3.16. The fiscal year 1965 estimate is based on 1,250,000 man-days at an average cost of $3.52.

Mr. ROONEY. These pages indicate that the request is in the amount $4.4 million, which would be an increase of $300,000 over the amount appropriated in the current fiscal year.

What were the obligations for the first 6 months of 1964?

Mr. BROWN. $2,061,000.

Mr. ROONEY. And for the first 6 months of 1963?

Mr. BROWN. $1,948,174. That is a 5.8-percent increase, which projects out to $4,323,000 for the year, which is slightly under the estimate.

Mr. ROONEY. Are you still paying those high costs for the Los Angeles ladies?

Mr. BENNETT. No, we have not used that institution.

Mr. ROONEY. This is the item, by the way, where sometimes you do the guessing and sometimes we do the guessing on the prisoners.

Mr. BENNETT. Yes, sir.

Mr. ROONEY. Who is ahead?

Mr. BENNETT. I do not know. We have been coming up every year, Mr. Chairman.

Mr. ROONEY. I think we have been ahead as many times as you have.

Mr. BENNETT. I do not know.

FEDERAL PRISON INDUSTRIES, INC.

Limitation on Administrative and Vocational Training Expenses

Object classification

[In thousands of dollars]

		1963 actual	1964 estimate	1965 estimate
	GENERAL ADMINISTRATION			
11	Personnel compensation:			
	Permanent positions	403	483	515
	Positions other than permanent	4	6	6
	Add excess of annual leave earned over leave taken	1	6	9
	Total personnel compensation	408	495	530
12	Personnel benefits	30	40	42
21	Travel and transportation of persons	29	39	39
22	Transportation of things	2	2	5
23	Rent, communications, and utilities	32	34	34
24	Printing and reproduction	2	2	2
25	Other services	23	24	24
26	Supplies and materials	13	14	14
	Total general administration	539	650	690
	VOCATIONAL TRAINING			
11	Personnel compensation:			
	Permanent positions	867	1,095	1,124
	Positions other than permanent	48	76	82
	Other personnel compensation	4	7	7
	Add excess of annual leave earned over leave taken	12	18	20
	Total personnel compensation	931	1,196	1,233
12	Personnel benefits	65	90	92
21	Travel and transportation of persons	27	24	29
22	Transportation of things	1	2	3
23	Rent, communications, and utilities	14	12	14
24	Printing and reproduction	36	39	36
25	Other services	2	2	3
26	Supplies and materials	80	85	80
	Total vocational training	1,156	1,450	1,490
	Total accrued expenses—costs	1,695	2,100	2,180

Personnel Summary

	1963 actual	1964 estimate	1965 estimate
GENERAL ADMINISTRATION			
Total number of permanent positions	58	58	58
Average number of all employees	52	56	58
Employees in permanent positions, end of year	52	58	58
Employees in other positions, end of year	0	0	0
Average GS grade	9.0	9.3	9.3
Average GS salary	$7,747	$8,547	$8,877
VOCATIONAL TRAINING			
Total number of permanent positions	123	139	139
Full-time equivalent of other positions	7	10	10
Average number of all employees	124	149	149
Employees in permanent positions, end of year	117	139	139
Employees in other positions, end of year	3	0	0
Average GS grade	9.4	9.2	9.2
Average GS salary	$7,434	$7,880	$8,120

Mr. ROONEY. Finally, gentlemen, we have an item for the Federal Prison Industries, Inc., administrative and vocational expense fund, which is to be found beginning at page 114 of the committee print and under tab 30 of the justifications.

We shall at this point insert in the record pages 30–1 through 30–10 of the justifications.

(The pages follow:)

Summary analysis of estimates—Federal Prison Industries, Inc., administrative and vocational expense fund

[In thousands of dollars]

	Administrative expense	Vocational expense	Total
Regular limitation, 1964	650	1,450	2,100
Estimate for 1965	690	1,490	2,180
Increase over 1964 limitation	40	40	80

GENERAL JUSTIFICATION

Federal Prison Industries, Inc., operates under sections 4121–4128, title 18 United States Code. The functions of the corporation are (1) to establish and operate industries in the U.S. penal institutions for the production of articles and commodities for consumption in the institutions and for sale to the departments and independent establishments of the Government; and (2) to provide such forms of employment and vocational training as will give the inmates of all Federal penal and correctional institutions a maximum opportunity to acquire knowledge and skill in trades and occupations which will provide them with a means of livelihood upon release. It is also authorized to establish industries and vocational programs in the military disciplinary barracks (18 U.S.C. 4122(d)). We have operated a clothing factory at the U.S. Disciplinary Barracks at Fort Leavenworth, Kans., since 1956.

In 1965 the corporation expects to operate 57 shops located at 24 Federal penal and correctional institutions throughout the United States.

Sales of the products and services are restricted to Federal penal and correctional institutions and to other Government departments, agencies, and independent establishments. Sales for the fiscal year 1965 are estimated at $37,500,000 with estimated net earnings of $4,900,000.

The corporation has sufficient funds to carry out its program set forth in the budget, since its earnings from industrial operations pay all expenses and leave a balance for the payment of dividends. The corporation has paid to the Treasury, from its earnings, $51 million during the period January 1, 1935 to June 30, 1963. It is estimated that $58 million will have been paid in dividends by June 30, 1965.

ADMINISTRATIVE EXPENSE FUND

Detail justification

The central office, located in the District of Columbia, is responsible for planning, production, procurement, and personnel for all industrial activities. It is also responsible for research work in industrial lines and product design in connection with the installation of new industries, and the operation and conversion of existing industries. The central office prepares consolidated financial statements, conducts field audits and special examinations, directs procurement of the raw materials used in the factories, supervises and audits purchase and sales contracts and specifications; prepares and keeps up to date the schedule of products manufactured and determines selling prices. It contacts other Government agencies with reference to the use of its products and all orders from other Government agencies for manufactured products are received and controlled by the central office.

The administrative expense limitation for 1964 was approved for 650,000. The estimate for 1965 is $690,000, an increase of $40,000 composed of $12,000 for two authorized lapsed positions, and $23,000 for the maintenance of the 1964 level of employment and $5,000 increases in personnel benefits and transportation of things.

The $690,000 requested for 1965 is only 1.84 percent of estimated sales of $37,500,000.

Itemization of limitation request—Administrative expense

[In thousands]

By accounts	1964 estimate	1965 estimate	Increase (+) decrease (−)
11 Personnel compensation	$495	$530	+$35
12 Personnel benefits	40	42	+2
21 Travel and transportation of persons	39	39	0
22 Transportation of things	2	5	+3
23 Rent, communications, and utilities	34	34	0
24 Printing and reproduction	2	2	0
25 Other services	24	24	0
26 Supplies and materials	14	14	0
Total administrative expense	650	690	+40

VOCATIONAL TRAINING EXPENSE LIMITATION

Detail justification

The Corporation is authorized to use its funds to provide vocational training of inmates without regard to their industrial or other assignments (18 U.S.C. 4122(c), 4126).

The vocational training expense limitation was approved for $1,450,000 for 1964. The estimate for 1965 is $1,490,000, an increase of $40,000 composed of $37,000 to maintain the 1964 level of employment and $3,000 for increases in personnel benefits, travel, transportation, utilities, and other services.

Vocational training expense
[In thousands]

By accounts	1964 estimate	1965 estimate	Increase (+) or decrease (−)
11 Personnel compensation	$1,196	$1,233	+$37
12 Personnel benefits	90	92	+2
21 Travel and transportation of persons	24	29	+5
22 Transportation of things	2	3	+1
23 Rent, communications, and utilities	12	14	+2
24 Printing and reproduction	39	36	−3
25 Other services	2	3	+1
26 Supplies and materials	85	80	−5
Total vocational training expense	1,450	1,490	+40

PERSONAL SERVICES

The estimated average employment of permanent personnel for 1965 is distributed as follows:

Locations	*Number of positions*	*Locations*	*Number of positions*
Washington, D.C	5	Milan, Mich	2
Alderson, W. Va	5	Montgomery, Ala	1
Ashland, Ky	7	National Training School	6
Atlanta, Ga	9	Petersburg, Va	7
Chillicothe, Ohio	14	Safford, Ariz	1
Danbury, Conn	4	Sandstone, Minn	2
Eglin, Fla	1	Seagoville, Tex	3
El Reno, Okla	12	Sewart, Tenn	1
Englewood, Colo	8	Springfield, Mo	5
Florence, Ariz	1	Tallahassee, Fla	2
La Tuna, Tex	2	Terminal Island, Calif	4
Leavenworth, Kans	5	Terre Haute, Ind	5
Lewisburg, Pa	6	Texarkana, Tex	2
Lompoc, Calif	10	Tucson, Ariz	1
McNeil Island, Wash	6		
Marion, Ill	2	Total	139

The total average estimated employment of 149 for 1965 includes the equivalent of 10 full-time employees to cover the part-time instructors.

GENERAL ACCOUNTING OFFICE AUDIT RECOMMENDATIONS

The General Accounting Office has made commercial type audits of our records each fiscal year since 1945 pursuant to Corporation Control Act (31 U.S.C. 841) without any exceptions that have not been resolved. The audit report for fiscal year 1962 (H. Doc. 47, 88th Cong., 1st sess.) did not contain any recommendations to the Congress. The General Accounting Office report states in part that:

"The General Accounting Office has made an audit of Federal Prison Industries, Inc., for the fiscal year ended June 30, 1962, pursuant to the Government Corporation Control Act (31 U.S.C. 841). The scope of the audit work performed is described on page 4 of this report.

"Federal Prison Industries, Inc., is a wholly owned Government Corporation created pursuant to the act of June 23, 1934 (18 U.S.C. 4121), and is operated as a function within the Department of Justice under the general direction and supervision of the Attorney General. The Corporation conducts industrial operations in the Federal penal and correctional institutions and certain military disciplinary barracks for the purpose of providing employment for physically fit inmates. These operations are designed to give the inmates an opportunity to acquire knowledge and skill in trades and occupations that will enable them to earn a livelihood upon release. The nature of industrial operations established in the institutions is based on a determination of the type of work that will furnish the most appropriate training and, at the same time, keep to a minimum the competition with private industry. Goods and services are sold to other Government agencies at prices not to exceed current market prices. During fiscal year

1962, net sales of the 52 manufacturing, processing, and servicing units operated by the Corporation totaled about $35 million.

"The Corporation also conducts a vocational training program for qualified inmates in connection with the institutional and industrial activities and operates a placement service to assist inmates in obtaining employment upon release. During fiscal year 1962, 11,944 inmates were enrolled in 512 groups for training in agriculture, industry, trades, institution maintenance, and other special subjects and 4,521 inmates completed courses.

"The Corporation does not receive any appropriations from the Congress. All expenditures including those for the vocational training programs are financed out of funds derived from the operations of the various industries. The Congress does, however, place limitations on the amount of the Corporations' administrative and vocational training expense."

The Corporation has carefully considered and reviewed with officials of the General Accounting Office their recommendations for improvement of procedures and practices. Those items having application have been adopted and those items which the Corporation feels have no application, insofar as our operations are concerned, have been resolved with the General Accounting Office.

Administrative and vocational expense (limitation)—Object classification

[In thousands of dollars]

		1963 actual	1964 estimate	1965 estimate
	GENERAL ADMINISTRATION			
11	Personnel compensation:			
	Permanent positions	403	483	515
	Positions other than permanent	4	6	6
	Other personnel compensation			
	Add excess of annual leave earned over leave taken	1	6	9
	Total personnel compensation	408	495	530
12	Personnel benefits	30	40	42
21	Travel and transportation of persons	29	39	39
22	Transportation of things	2	2	5
23	Rent, communications, and utilities	32	34	34
24	Printing and reproduction	2	2	2
25	Other services	23	24	24
26	Supplies and materials	13	14	14
	Total, general administration	539	650	690

Mr. ROONEY. These pages indicate the request is for an authorization in the amount $690,000 for administrative expenses and $1,490,000 for vocational expense. This is an increase of $40,000 over the amount in the present fiscal year for administrative expense, and $40,000 over the amount in the present fiscal year for vocational expense.

The increases in administrative expenses are set forth at page 30–4, while the requested increases for vocational expenses is set forth at page 30–6.

EARNINGS

What have been the earnings in the past year?

Mr. BENNETT. The gross earnings were about $7 million. Dividends paid into the Treasury or available to be paid into Treasury this year we estimate at $4 million.

These small items are needed to annualize the pay increases. Because of not having had the authorization, we have allowed positions to lapse in order to meet the pay increases. The amount of $40,000 increase in the authorizations will enable us to fill those positions.

ADDITIONAL POSITIONS

Mr. ROONEY. How many positions would that give you in each area?

Mr. BENNETT. It would give us two additional positions in the authorization for headquarters. Is that what you mean?

Mr. ROONEY. If we approve the requested increases, how many new positions would it give you?

Mr. BENNETT. Two additional positions in our administrative overhead. There are two positions that have lapsed and we would like to fill those two positions.

WEDNESDAY, JANUARY 29, 1964.

FEDERAL BUREAU OF INVESTIGATION

WITNESSES

HON. J. EDGAR HOOVER, DIRECTOR
J. P. MOHR, ASSISTANT TO THE DIRECTOR

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

		1963 actual	1964 estimate	1965 estimate
11	Personnel compensation:			
	Permanent positions	105,286	112,744	116,420
	Positions other than permanent	17	27	27
	Other personnel compensation	6,276	7,543	7,264
	Total personnel compensation	111,579	120,314	123,712
12	Personnel benefits	7,775	8,397	8,604
21	Travel and transportation of persons	5,419	5,524	5,524
22	Transportation of things	748	850	850
23	Rent, communications, and utilities	3,601	3,868	3,940
24	Printing and reproduction	306	299	299
25	Other services	1,880	1,897	1,897
26	Supplies and materials	1,778	1,836	1,808
31	Equipment	2,633	3,965	3,806
42	Insurance claims and indemnities	34	5	5
	Total costs	135,753	146,955	150,445
	Change in selected resources	40	−127	
	Total obligations	135,793	146,828	150,445

Personnel summary

	1963, actual	1964 estimate	1965 estimate
Total number of permanent positions	14,354	14,782	14,782
Full-time equivalent of other positions	3	4	4
Average number of all employees	13,811	14,239	14,239
Employees in permanent positions, end of year	13,709	14,286	14,286
Employees in other positions, end of year	4	4	4
Average GS grade	8.0	7.9	7.9
Average GS salary	$7,716	$8,053	$8,138

Program and financing

[In thousands of dollars]

	1963 actual	1964 estimate	1965 estimate
Program by activities:			
1. Security and criminal investigations:			
(a) Coordination	5,653	6,104	6,311
(b) Maintenance of investigative records and communications system	6,352	6,911	7,202
(c) Field investigations	103,401	111,568	114,304
2. Identification by fingerprints	10,604	11,838	11,940
3. Criminal and scientific laboratory	2,962	3,319	3,357
4. Training schools and inspectional services	1,184	1,341	1,357
5. General administration	5,597	5,874	5,974
Total program costs, funded [1]	135,753	146,955	150,445
Change in selected resources [2]	40	−127	
Total obligations	135,793	146,828	150,445
Financing: Unobligated balance lapsing	95		
New obligational authority	135,889	146,828	150,445
New obligational authority:			
Appropriation	135,925	146,900	150,445
Transferred to "Operating expenses, Public Buildings Service," General Services Administration (76 Stat. 728 and 77 Stat. 436)	−36	−72	
Appropriation (adjusted)	135,889	146,828	150,445

[1] Includes capital outlay as follows: 1963, $2,521,000; 1964, $3,848,000; 1965, $3,642,000.
[2] Selected resources as of June 30 are as follows:

	1962	1963	1964	1965
Stores	185	153	175	175
Unpaid undelivered orders	327	399	250	250
Total selected resources	512	552	425	425

Mr. ROONEY. The committee will please now come to order.

This morning we shall commence consideration of the request for the Federal Bureau of Investigation, which item appears at page 91 of the committee print. The details are to be found in book II of the Department of Justice justifications under tab 24.

We shall at this point insert in the record pages 24–1 through 24–33 of these justifications. They indicate that the total request is in the amount of $150,445,000, which would be an increase of $3,545,000 over the amount appropriated for the Bureau in the current fiscal year. It is also indicated that there are no additional personnel requested.

(The pages follow:)

Summarization—Funds: Fiscal years 1964 and 1965 (direct plus reimbursements)

[In thousands of dollars]

	Direct	Reimbursements	Total
1964 Approved	146,900		
1964 Transfer to General Services Administration for 1st year rental of space	−72		
1964 Total (adjusted)	146,828	1,700	148,528
1965 Requested	150,445	1,474	151,919
1965 Increase or decrease	[1] +3,617	−226	+3,391

[1] The appropriation requested for 1965 ($150,445,000) represents an increase of $3,545,000 when compared to funds approved for 1964 ($146,900,000).

Detail justification

[In thousands of dollars]

	1963 actual		1964 estimate		1965 estimate		1965 versus 1964	
	Full-year employees	Cost	Full-year employees	Cost	Full-year employees	Cost	Full-year employees	Cost
DIRECT OBLIGATIONS								
Personnel compensation	13,811	111,579	14,239	120,314	14,239	123,712	.....	3,398
Personnel benefits	.....	7,775	.....	8,397	.....	8,604	.....	+207
Travel and transportation of persons	.....	5,419	.....	5,524	.....	5,524	.....	.....
Transportation of things	.....	748	.....	850	.....	850	.....	.....
Rent, communications, and utilities	.....	3,601	.....	3,868	.....	3,940	.....	+72
Printing and reproduction	.....	306	.....	299	.....	299	.....	.....
Other services	.....	1,880	.....	1,897	.....	1,897	.....	.....
Supplies and materials	.....	1,806	.....	1,808	.....	1,808	.....	.....
Equipment	.....	2,646	.....	3,866	.....	3,806	.....	−60
Insurance claims and indemnities	.....	34	.....	5	.....	5	.....	.....
Total other objects of expenditure	.....	24,215	.....	26,514	.....	26,733	.....	+219
Total, direct obligations	.....	135,794	.....	146,828	.....	150,445	.....	+3,617
Estimated savings	.....	95	.....	.....	.....	.....	.....	.....
Total funds available	.....	135,889	.....	146,828	.....	150,445	.....	+3,617
Nonexpenditure transfer to General Services Administration for 1st year rental of space	.....	(36)	.....	(72)	.....	.....	.....	(−72)
Appropriation or request	.....	(135,925)	.....	(146,900)	.....	(150,445)	.....	(+3,545)
OBLIGATIONS PAYABLE OUT OF REIMBURSEMENTS								
Personnel compensation	169	1,576	129	1,332	111	1,103	−18	−229
Personnel benefits	.....	108	.....	91	.....	75	.....	−16
Travel and transportation of persons	.....	135	.....	117	.....	63	.....	−54
Transportation of things	.....	6	.....	5	.....	5	.....	.....
Rent, communications, and utilities	.....	16	.....	13	.....	12	.....	−1
Printing and reproduction	.....	1	.....	1	.....	1	.....	.....
Other services	.....	21	.....	16	.....	16	.....	.....
Supplies and materials	.....	17	.....	14	.....	14	.....	.....
Equipment	.....	159	.....	111	.....	185	.....	+74
Total, other objects of expenditure	.....	463	.....	368	.....	371	.....	+3
Total obligations payable out of reimbursements	.....	2,039	.....	1,700	.....	1,474	.....	−226
TOTAL DIRECT AND REIMBURSEMENTS								
Personnel compensation	13,980	113,155	14,368	121,646	14,350	124,815	−18	+3,169
Personnel benefits	.....	7,883	.....	8,488	.....	8,679	.....	+191
Travel and transportation of persons	.....	5,554	.....	5,641	.....	5,587	.....	−54
Transportation of things	.....	754	.....	855	.....	855	.....	.....
Rent, communications, and utilities	.....	3,617	.....	3,881	.....	3,952	.....	+71
Printing and reproduction	.....	307	.....	300	.....	300	.....	.....
Other services	.....	1,901	.....	1,913	.....	1,913	.....	.....
Supplies and materials	.....	1,823	.....	1,822	.....	1,822	.....	.....
Equipment	.....	2,805	.....	3,977	.....	3,991	.....	+14
Insurance claims and indemnities	.....	34	.....	5	.....	5	.....	.....
Total other objects of expenditure	.....	24,678	.....	[1] 26,882	.....	27,104	.....	+222
Total obligations	.....	137,833	.....	148,528	.....	151,919	.....	+3,391
Estimated savings	.....	95	.....	.....	.....	.....	.....	.....
Total funds	.....	137,928	.....	[1] 148,528	.....	151,919	.....	+3,391

[1] Excludes funds to be transferred to General Services Administration (72,000).

Obligations by activities

[In thousands of dollars]

	1963 actual	1964 estimate	1965 estimate	1965 versus 1964
DIRECT OBLIGATIONS				
1. Security and criminal investigations:				
(a) Coordination	5,653	6,104	6,311	+207
(b) Maintenance of investigative records and communications system	6,352	6,911	7,202	+291
(c) Field investigations	103,401	111,482	114,304	+2,822
2. Identification by fingerprints	10,645	11,797	11,940	+143
3. Criminal and scientific laboratory	2,982	3,319	3,357	+38
4. Training schools and inspectional services	1,184	1,341	1,357	+16
5. General administration	5,597	5,874	5,974	+100
Total direct obligations [1]	135,794	146,828	150,445	+3,617
Estimated savings	95			
Direct funds available [1]	135,889	146,828	150,445	+3,617
OBLIGATIONS PAYABLE OUT OF REIMBURSEMENTS				
1. Security and criminal investigations:				
(a) Coordination	148	120	121	+1
(b) Maintenance of investigative records and communications system	30	2	2	
(c) Field investigations	1,809	1,561	1,333	−228
2. Identification by fingerprints	41			
4. Training schools and inspectional services	5	13	14	+1
5. General administration	6	4	4	
Total obligations payable out of reimbursements	2,039	1,700	1,474	−226
Total obligations [1]	137,833	148,528	151,919	+3,391

[1] See the following.

	1963 actual	1964 estimate	1965 estimate	1965 versus 1964
Exclusive of transfers to General Services Administration for 1st year rental of space	(36)	(72)	(...)	(−72)

INTRODUCTION

The appropriation request for the fiscal year 1965 totals $150,445,000. There is no increase in personnel, the request providing for the same number as under our approved appropriation for the fiscal year 1964. Although all factors indicate that we can expect to receive a growing amount of work in all major categories of endeavor throughout the fiscal year 1965, we plan to handle it with our present staff.

REPLACEMENT OF AUTOMOBILES

The FBI is authorized to maintain a fleet of 3,304 passenger-carrying vehicles. These cars must be in good operating condition, capable of providing adequate service in meeting the Bureau's many responsibilities as the investigative arm of the Department of Justice, which range from the combating of criminal activities involving "hot pursuit" to investigations concerned with espionage and security activities.

The Bureau will have an estimated 1,445 vehicles which will have met the Government's minimum replacement standards. Funds, however, are requested to purchase only 501, the same number as allowed under the FBI's approved appropriation for the fiscal year 1964. We will continue to obtain further service from the other cars.

APPROPRIATION LANGUAGE CHANGE

The only appropriation language change for the fiscal year 1965 is that concerned with the purchase of the 501 vehicles. Last year the language provided that 301 of the 501 vehicles to be purchased were for replacement purposes. For the fiscal year 1965, the language has been changed to show that all 501 are replacement vehicles.

BASIC STATUTORY AUTHORITY

The fundamental authority for its basic original functions was vested in the Federal Bureau of Investigation pursuant to the following legislation:

Authority for the activities of the Bureau is contained in section 360 of the Revised Statutes, derived from 16 Stat. 164, an act to establish the Department of Justice, dated June 22, 1870. Section 360 reads as follows: "The Attorney General may require any solicitor or officer of the Department of Justice to perform any duty required of the Department or any officer thereof."

An act making appropriations for expenses of the Government for the year ending June 30, 1872 (16 Stat. 497), provided an appropriation for the detection and prosecution of crimes against the United States.

Title 18, section 3052, United States Code, as amended January 10, 1951, provides that "The Director, Associate Director, Assistant to the Director, Assistant Directors, inspectors, and agents of the Federal Bureau of Investigation of the Department of Justice may carry firearms, serve warrants and subpoenas issued under the authority of the United States and make arrests without warrant for any offense against the United States committed in their presence, or for any felony cognizable under the laws of the United States if they have reasonable grounds to believe that the person to be arrested has committed or is committing such felony."

Under authority contained in 5 U.S.C. 340 there was established under the jurisdiction of the Department of Justice a division of the Federal Bureau of Investigation to be known as the Division of Identification and Information. Pursuant thereto, the Bureau shall be vested with the duty of acquiring, collecting, classifying, and preserving criminal identification and other crime records and the exchanging of said criminal identification records with the duly authorized officials of governmental agencies, of States, cities, and penal institutions; and the cost of maintenance and operation of said Bureau shall be paid from the appropriation "Detection and prosecution of crimes" for the respective fiscal years concerned, as otherwise provided. The 85th Congress changed the Bureau's appropriation language for the fiscal year 1958 to provide that the exchange of identification and other records was for official use of the receiving departments or related agencies, such exchange to be subject to cancellation if dissemination is made outside the receiving departments or related agencies.

The FBI, as the investigative arm of the Department of Justice, has also been vested with subsequent authority for certain auxiliary specific and general investigative responsibilities by the Congress, the Attorney General, and the President of the United States. Many of these responsibilities play a direct part in defense matters affecting the Nation's security. Specific authority therefor is set forth under the immediately following section designated "Objectives."

OBJECTIVES

There are summarized below the principal objectives and responsibilities upon the basis of which funds will be utilized by the Federal Bureau of Investigation:

(1) *Criminal investigations.*—The investigation of violations of Federal criminal statutes; collecting evidence in cases in which the United States is or may be a party in interest; and performing other duties imposed by law.

Under this authority, the Federal Bureau of Investigation has investigative jurisdiction over some 168 Federal investigative matters. This authority covers all Federal statutes except those specifically assigned to another agency. Included in this group are various statutes concerned with kidnaping, extortion, crime aboard aircraft, bank robbery, white slavery, automobile theft; impersonation, the unlawful flight of certain local fugitives, illegal wearing of the uniform, crimes on Indian and Government reservations, theft and embezzlement of Government property, bribery, the interstate transmission of wagering information, interstate transportation of wagering paraphernalia, interstate travel or transportation in aid of racketeering, violations of the Selective Service Act, and those pertaining to civil rights, frauds against the Government, antitrust

matters, and others in the criminal and civil fields of activity. Investigations to locate deserter fugitives are also conducted by the FBI upon request of the respective branches of the Armed Forces.

(2) *Domestic intelligence.*—The FBI's responsibilities in the domestic intelligence field are authorized under legislative enactments, Presidential directives, and instructions of the Attorney General. They include investigative jurisdiction over matters relating to espionage, counterespionage, sabotage, treason, sedition, subversion, and related internal security functions.

Various laws of the United States bring within the investigative jurisdiction of the FBI the activities of the Communist Party, U.S.A., its members and sympathizers, Communist-front groups, totalitarian organizations, as well as any other subversive individuals or groups which are alleged either to seek the overthrow of the Government of the United States by force or violence or to conspire against the rights of citizens. The FBI has primary responsibility for investigating matters of these types in the United States, Puerto Rico, and the Virgin Islands.

(3) *Coordination and dissemination of security data.*—By reason of various Presidential directives, the FBI has the responsibility of correlating information regarding espionage, sabotage, subversive activities, and related matters on a national basis and of referring matters under the jurisdiction of any other Federal agencies in these fields to the appropriate sources. Under these Presidential directives the FBI disseminates a large volume of information to other agencies in the executive branch of the Federal Government. During the course of the Bureau's investigations, particular attention is given at all times to information indicating any Soviet-Communist hostile action. As a part of this overall program, the FBI makes name checks of its files for the various agencies of the Government. By reason of these functions, the FBI is inescapably tied in with all defense matters.

The FBI also conducts considerable research in all phases of communism and the intelligence operations of the Soviets and their satellites in order to determine the tactics of Soviet Russia and the satellite countries. Many of the various studies prepared in this field are furnished to other intelligence agencies who have, on a number of occasions, commented favorably concerning the value of these research studies in their own agencies.

The FBI has certain specialized defense functions in respect to which it operates as a member of the Interdepartmental Intelligence Conference and the U.S. Intelligence Board and other bodies created by the National Security Council. In connection with its participation in the work of such bodies, the FBI makes plans and recommendations on various problems concerned with strengthening the internal security of the Nation.

(4) *Specialized security programs.*—FBI responsibilities in the field of specialized security programs are largely concerned with various sensitive types of applicant and employee investigations. The bulk of the work derives from legislative enactments and Presidential directives requiring the FBI to ascertain facts pertinent to the loyalty and security risk of employees and applicants for positions in the Government service or in activities incident to which the Government has an official interest.

(5) *Identification functions.*—To gather, maintain, classify, and preserve identification data received from cities, States, penal institutions, Federal agencies, and private citizens. To furnish information concerning such records to duly authorized agencies of Federal, State, and local governments and institutions in the interest of law enforcement.

(6) *Scientific crime detection.*—To maintain a well-equipped technical laboratory as an aid in scientific crime detection. The facilities of the FBI Laboratory are made available on a cost-free basis to local law enforcement agencies as well as Federal Government circles. The FBI's scientific personnel are made available to testify in court upon the request of prosecuting officials.

(7) *Uniform crime reporting.*—To maintain a program of uniform crime reporting on a countrywide basis for the compilation of statistics concerning the extent of crime, arrests, convictions, and related crime data. This information is coordinated by the FBI and published in the form of four quarterly reports to demonstrate current crime trends as well as a comprehensive annual report. These are furnished to all law enforcement agencies, other governmental sources, social scientists, the news media, and the general public on request.

Summary of investigative accomplishments

	Fiscal year		1963 increase (+) or decrease (−)
	1962	1963	
Convictions	12,635	12,816	+181
Total sentences:			
Death sentences	6	7	+1
Life sentences	37,100	37,009	−91
Years	11,163	11,887	+724
Fugitives located	18,921	19,192	+271
Automobiles recovered			
The following money statistics reflect the amounts assessed or saved through court or other legal action or physically recovered in cases in which the Federal Bureau of Investigation expended investigative effort: Fines, savings and recoveries	$174,561,341	$186,225,348	+$11,664,007

NOTE.—The total $186,225,348 of fines, savings and recoveries recorded during the fiscal year 1963 represents a return of $1.37 for each $1 of direct funds appropriated to the Bureau during that fiscal year.

PERCENTAGE OF CONVICTIONS

Fiscal year 1963.—Convictions were obtained against 96.1 percent of the persons brought to trial during the fiscal year 1963.

Guilty pleas.—Of the 12,816 convictions obtained during the fiscal year 1963, 11,917 (93 percent) were on guilty pleas, while the remaining 899 (7 percent) were the result of trial before judge or jury.

JUSTIFICATION: SEAT OF GOVERNMENT

IDENTIFICATION BY FINGERPRINTS

During the fiscal year 1963, the Bureau's Identification Division received a total of 5,720,537 sets of fingerprints for handling. In addition, there were 871,512 miscellaneous forms processed, such as wanted notices and disposition of arrest sheets, and 114,719 wires and pieces of correspondence handled on which no fingerprints were received. The volume of fingerprints received for handling during 1963 is in line with the 5,700,000 sets of fingerprints originally estimated to be received for that year.

Predicated upon an analysis of the continued increase in the volume of police arrest fingerprints and the workload volumes furnished by other Federal agencies for which a large amount of the work will be performed—and over which we have no control—an estimated 6 million sets of fingerprints will be received for handling during the fiscal year 1965, an increase of 5 percent over the high volume of receipts during the fiscal year 1963.

Fiscal year	Volume	Increase over 1960		Increase over 1963	
		Number	Percent	Number	Percent
1960 actual	5,202,907				
1961 actual	5,496,374	293,467	6		
1962 actual	5,832,677	629,770	12		
1963 actual	5,720,537	517,630	10		
1964 estimated	6,000,000	797,093	15	279,463	5
1965 estimated	6,000,000	797,093	15	279,463	5

As a service agency, the Bureau's national fingerprint file is a potent weapon serving law enforcement at all levels in its fight against crime. During the fiscal year 1963, of the 2,254,696 sets of police prints searched against the Identification Division fingerprint file, 1,757,676, or 78 percent, were identified with prior police records on file. Also, during that same fiscal year, an alltime high of 19,541 fugitives were identified by fingerprint searches. Many of these might have continued to avoid identification were it not for the service made possible by the Bureau's centralized fingerprint file. The widespread use of our centralized fingerprint file by all levels of the law-enforcement profession

across the land as a means of identifying and locating far-ranging fugitives is reflected in the 83,696 wanted notices outstanding in our fingerprint file at the close of the fiscal year 1963.

The Bureau's fingerprint file was established by congressional action in 1924. It has grown and has increased in effectiveness over the years by reason of our responsibility of acquiring and preserving identification and other records and their exchange with authorized Government agencies, and local, municipal, and State law-enforcement organizations and penal institutions. As of December 1, 1963, the fingerprint file contained 169,052,831 sets of fingerprints. Of this total, there were 43,922,599 sets of fingerprints in the criminal file representing an estimated 15,160,987 persons. The civil file contained 125,130,232 sets of fingerprints representing an estimated 62,526,849 persons.

MAINTENANCE OF INVESTIGATIVE RECORDS AND COMMUNICATIONS SYSTEM

The Files and Communications Division has the responsibility for maintaining the data which this Bureau gathers as a result of its investigative and auxiliary responsibilities. It also has the responsibility for the Bureau's extensive communications system.

During the fiscal year 1963, a total of 1,823,184 name checks were received, reflecting a continuation of the heavy volume experienced during the prior year. The 1963 workload volume exceeded substantially the original estimate of 1,650,000 made for that year. According to official estimates, furnished primarily by outside sources for which a great bulk of such work will be performed and over which we have no control, our name check work will increase with an estimated 1,900,000 name checks being referred for handling during the fiscal year 1965, an increase of 76,816 over the actual receipts during the fiscal year 1963, as follows:

Fiscal year	Name checks	Increase over 1960		Increase over 1963	
		Number	*Percent*	*Number*	*Percent*
1960 actual	1,571,834				
1961 actual	1,628,685	56,851	4		
1962 actual	1,832,930	261,096	17		
1963 actual	1,823,184	251,350	16		
1964 estimated	1,900,000	328,166	21	76,816	4
1965 estimated	1,900,000	328,166	21	76,816	4

The Bureau's central record file serves many Federal agencies as a result of various Presidential directives and other authority vesting the Bureau with the responsibility of coordinating and disseminating security and intelligence data, particularly as it concerns espionage, sabotage, and related subversive matters affecting the domestic internal security.

CRIMINAL AND SCIENTIFIC LABORATORY

The 247,894 scientific examinations handled by the FBI Laboratory during the fiscal year 1963 mark a new all-time high record. This work has now been on an upward climb for 13 consecutive years and the upward trend is expected to continue with an estimated 250,000 examinations to be received during the fiscal year 1965.

Recognized as the outstanding laboratory of its kind in the world, the FBI Laboratory utilizes virtually every field of science in the wide range of scientific examinations it is called upon to conduct. This application of scientific principles to everyday cases in the law enforcement field makes it necessary to continually devise new techniques for individual cases because no two are ever exactly alike.

In addition to examining evidence submitted by special agents in cases which are being investigated by the FBI, the Laboratory handles requests from municipal, county, and State law enforcement authorities, and from other Federal agencies. The services of the FBI Laboratory, including the court testimony of its experts, are cost free to all duly constituted law enforcement agencies and other Federal agencies. As a result, the Laboratory is a national service agency

giving effective and cooperative assistance to law enforcement agencies at all levels throughout the Nation. During the fiscal year 1963, requests for scientific examinations of evidence were received from all 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Canada, and from numerous Federal agencies.

An important part of the Laboratory's scientific work is related to security work; to technical problems bearing upon espionage and other highly confidential investigations in the field; and to radio communications and electronics matters.

The following tabulations show the actual volume of scientific examinations for the fiscal years 1960 through 1963 together with the estimated volumes to be received for the fiscal years 1964 and 1965, and a breakdown showing the types of agencies for which examinations were made during the fiscal year 1963.

Fiscal year	Number	Increase over 1960		Increase over 1963	
		Number	Percent	Number	Percent
1960 actual	210,745				
1961 actual	224,183	13,438	6		
1962 actual	231,456	20,711	10		
1963 actual	247,894	37,149	18		
1964 revised estimate	250,000	39,255	19	2,106	1
1965 estimated	250,000	39,255	19	2,106	1

NOTE.—The 247,894 scientific examinations received in the fiscal year 1963 exceeded the original estimate of 228,000 which was revised to 233,000 in the preceding budget for the past year. The fiscal year 1964 estimate, originally shown as 235,000, has been revised to 250,000. These estimates were revised upward to more nearly conform to the actual trend of receipts.

Classification by agency for which scientific examinations made, fiscal year 1963

	Number	Percent
FBI field investigative staff	174,281	70
Other Federal agencies	27,103	30
States, territorial possessions, and foreign countries	46,510	
Total	247,894	100

TRAINING AND INSPECTIONAL SERVICES

A continuing program of training and inspection is an integral part of the Bureau's operations. Our widespread, varied, and increasing responsibilities, along with the ever-changing tactics of the criminal and the subversive, demand a continuing and varied training program. This serves as an important means of maintaining the effectiveness and efficiency of our investigative and other operations. At the same time, through a program of inspections all phases of the Bureau's operations are examined and analyzed with the objective of appraising and improving, on a continuous basis, the effectivenes, efficiency, and economy of operations as they relate to management, administration, and investigative operations generally. These two functions—inspection and training—complement each other and by this interplay contribute greatly to the efficiency of the Bureau.

Training in the FBI includes the training of the newly appointed agents, the followup inservice training given from time to time for the experienced investigative staff, and the specialized training schools which are held to meet the needs as they arise.

It also includes the cooperative assistance which the Bureau provides, upon request, in the training of police officers of local law enforcement organizations throughout the Nation. During the fiscal year 1963, the FBI participated in 3,801 police training schools, attended by approximately 105,000 officers, in this cooperative training activity for the benefit of local law enforcement organizations across the land. The FBI also conducts law enforcement conferences on a nationwide basis dealing with pressing law enforcement problems confronting law enforcement as a whole. During March-June 1963 there were 258 conferences held regarding the bank robbery problem. These were attended by 26,964

individuals representing 11,077 agencies. Such conferences enable the law enforcement profession to exchange ideas and to cooperatively develop effective programs to combat mutual criminal problems.

Another cooperative training activity which the Bureau conducts is the FBI National Academy. The graduation of the 72d session on November 6, 1963, brought the total number of Academy graduates to 4,454. Over 28 percent of the graduates now actively engaged in law enforcement occupy positions as the executive heads of their respective departments.

Much of the training for the police officers attending the FBI National Academy and for the training programs for Bureau personnel at the seat of government is conducted at the Bureau's facilities located at the Marine Corps base, Quantico, Va. These facilities include the Bureau's modern firearms ranges which are used to provide firearms training of new agents; agents attending inservice schools; those agents assigned to the Bureau headquarters, Washington Field Office, and the Richmond, Va., office, as well as those law enforcement officers attending the FBI National Academy.

FIELD JUSTIFICATION

Overall picture.—There has been no letup in the volume of field work which we must handle. New peaks have been reached in several classifications of criminal work; the work growing out of our responsibilities in meeting security and counterintelligence objectives against communism, espionage, and the like, continues to become more complex; a substantial amount of work accrues from the numerous items of new legislation enacted since the fall of 1961, a total of 19,930 new cases having been opened by December 1, 1963, as a result of it; and the work in the civil rights field continues to expand. It is fully expected that a still larger overall volume of work will be received throughout the field during the fiscal year 1965.

On December 1, 1963, there were pending in the entire field service, 115,736 investigative matters of all types, of which 7 percent were in a delinquent status.

During the fiscal year 1963, there were 636,371 investigative matters received in the criminal, civil, and security classifications. This reflects a continuation of the high volume of work experienced during the prior year and substantially exceeds the original estimate of 615,000 matters to be received during that year. It is estimated that 665,000 investigative matters in the criminal, civil, and security classifications will be received for handling during the fiscal year 1965, an increase of 28,629 matters, or 4 percent, over the actual receipts during the fiscal year 1963. These figures are exclusive of reimbursable applicant-type investigations to be referred from various Federal agencies and departments.

Fiscal year	Volume	Increase over 1960		Increase over 1963	
		Number	Percent	Number	Percent
1960 actual	537,335				
1961 actual	591,226	53,891	10		
1962 actual	637,090	99,755	19		
1963 actual	636,371	99,036	18		
1964 estimated	665,000	127,665	24	28,629	4
1965 estimated	665,000	127,665	24	28,629	4

Overtime services.—Over the years our investigative personnel have been performing very substantial overtime services. During the fiscal year 1963 this overtime amounted to an aggregate 3,175,081 hours, an average of 1 hour and 14 minutes a day on the part of each member of our investigative staff every workday of the year in excess of the 1 hour and 12 minutes per day for which fringe benefits are paid.

Public Law 763, approved September 1, 1954, provides, among other things, that certain employees whose duties require unscheduled and administratively uncontrollable overtime duty may be paid up to 15 percent of the entrance salary of grade GS–9 as a salary differential where they qualify for this benefit. The Attorney General approved payment of these benefits to investigative personnel of this Bureau. This permitted the partial reimbursement for these 3,175,081 hours of overtime during the fiscal year 1963, which overtime represents the equivalent of 1,526 agents on a full-year basis. Had it been necessary

to employ the additional 1,526 agents represented by this overtime, the cost would have been an estimated $17,293,428. However, under Public Law 763 this overtime service during the fiscal year 1963 was compensated only to the extent of $5,830,630, or a savings of $11,462,798 when compared with the value of the total overtime performed.

The 1965 appropriation estimate contains funds to continue these payments for unscheduled and administratively uncontrollable overtime duty.

Communist Party, U.S.A.

The Communist Party, U.S.A. continues its unswerving allegiance to the Soviet Union, which is committed to the goal of world domination by communism. The leaders of the Communist Party, U.S.A., as well as the individual party members, are well briefed on the importance of its role in the international conspiracy and of the need to constantly work toward the day when they hope to be successful in bringing communism to the United States. In carrying out its role, the party in this country aggressively continues in its attempts to penetrate either openly or through clandestine means any and all facets of American society which it assesses as important to its needs.

The security of its operations is a matter of vital importance to the party. Great efforts are made to identify informants and attempts are made to camouflage party meetings by disguising them as forums, conferences, birthday celebrations, discussion groups, and the like. What few records are kept are in a brief, secretive fashion with considerable resort to the use of elaborate codes. Such things as these make our investigations more complex and at the same time require the assignment of a greater amount of manpower to cover the party's many and varied activities.

In evaluating the combined operations of the party, it becomes evident that the need for intensified investigation at the present is as great as, if not greater than, it has been in any previous year.

Internal Security Act of 1950.—The Supreme Court ruling of June 5, 1961, upheld the order of the Subversive Activities Control Board that the Communist Party, U.S.A., must register under the Internal Security Act of 1950 as a Communist-action organization. After a petition for a rehearing was denied by the Supreme Court, the registration order became final on October 20, 1961.

In addition to the registration provision, the law also imposes a number of sanctions upon the party which became effective as a result of the Board's registration order becoming final on October 20, 1961. Among other things, it is unlawful for any member of the party to hold employment in any defense facility designated by the Secretary of Defense; or to apply for, or make use of, a U.S. passport.

Neither the party as an organization, its officers, nor the individual party members complied with the registration provisions of the act nor with any of the provisions regarding sanctions.

The Government has taken prosecutive steps against the Commuist Party, U.S.A., as an organization, against party officers, and against party members. Although the conviction of the party, as an organization, for failure to register was reversed by the District of Columbia Court of Appeals on December 17, 1963, this decision is not final and the Department of Justice is considering additional legal steps.

Unless and until all of the provisions of the Internal Security Act of 1950 are held unconstitutional by the Supreme Court, and as the Department of Justice continues its prosecutive and administrative program under this act, the FBI will be called upon on a continuing basis to determine the facts necessary to establish violations and to produce necessary witnesses for testimony.

Espionage and counterintelligence operations

The Soviet-bloc intelligence services continue to expand their already extensive espionage operations, particularly against the United States. Adding greatly to the problems of successfully countering Soviet intelligence operations in the United States are the activities of the various satellite intelligence services. Reorganized under Soviet direction; staffed by personnel selected or subjected to the approval of the Soviet intelligence services; and trained, controlled, and directed by the Soviet intelligence services for many years, they have become extremely capable.

There is nothing to indicate anything other than a mounting amount of work of increasing complexity in this area of our operations.

Criminal and civil operations

The Bureau was faced with a mounting volume of work during the fiscal year 1963 in the overall criminal and civil category. The growing amount of criminal work is also reflected in the steadily increasing number of serious crimes reported to the local police agencies of the Nation. These reports show a total of 2,048,370 serious crimes reported during the calendar year 1962, a jump of 6 percent over 1961. A further sobering fact is that the volume of serious crime during the past 5 years has increased four times faster than the population. This mounting volume of crime throughout the country is continuing. Reports from local law enforcement agencies during the first 9 months of 1963 show that serious crime was 10 percent greater in volume than during the corresponding period in 1962. It is fully expected that there will be a continuing increase in the work which the Bureau will be required to handle in the criminal and civil categories throughout the fiscal year 1965.

Many of the matters in the criminal and civil field require immediate handling and often require the assignment of a tremendous number of our field investigative staff to a single investigation.

Civil rights investigations.—There has been a large increase in the number of cases received alleging civil rights violations. A total of 2,692 such cases were received during the fiscal year 1963, an increase of 607, or 29 percent, over the prior 12 months.

Drive against organized crime.—The Government's drive against organized crime and racketeering, along with the work involved in such a program, continues unabated. It continually involves the handling of thousands of investigations, the main purposes of which are to (1) obtain a complete and penetrative picture of those racketeers and hoodlums engaged in the various aspects of organized crime; (2) develop violations within the jurisdiction of the FBI on the part of these racketeers and hoodlums; and (3) disseminate to local, State, and other Federal agencies any information of interest to them. The 137,741 items of criminal intelligence information disseminated by the FBI to other law enforcement agencies during the fiscal year 1963 show the extensive cooperation with and assistance to other agencies in the drive against crime.

The enactment of three antigambling statutes in the fall of 1961 has added substantially to our work, a total of 12,320 new cases having been opened by December 1, 1963, and has also enabled the Bureau to make significant strides in the campaign against organized crime.

Fugitive Felon Act.—The amendment of the Fugitive Felon Act of October 4, 1961, broadening the Bureau's jurisdiction to locate local fugitives who have fled interstate, continues to result in substantial additions to our work, a total of 6,339 new cases having been opened as of December 1, 1963, under the provisions of this new amendment.

During the fiscal year 1963, a total of 2,514 fugitives were located under the provisions of this act, marking the 10th consecutive year in which a new high has been reached in the accomplishments growing out of our program designed to combat interstate crime by vigorously seeking out fugitives who are in violation of the Fugitive Felon Act. The impact which the new amendment has had on this work is reflected in the rapidly mounting number of such fugitives being located. These numbered 1,418 in the fiscal year 1961, rose to 1,878 in 1962 and jumped to 2,514 in 1963.

Bank robbery.—The criminal onslaught against the many and varied banking institutions, savings and loan associations, and credit unions coming under the provisions of the Federal bank robbery and incidental crimes statute continued to mount during the fiscal year 1963. During that year a record high 1,371 violations were received for handling, a substantial jump of 297 offenses over the prior year and included 776 robberies, 389 burglaries and 206 larcenies. Such violations as these require immediate handling and the heavy and widespread assignment of manpower. The mounting volume of such major criminal violations places increasing demands upon our available personnel.

Interstate transportation of stolen motor vehicles.—During the 10-year period of 1953 to 1962, auto thefts increased almost four times faster than the population growth. Automobile registrations climbed 42 percent during the same period while the percentage increase in autos stolen was 63 percent. Although many of these automobiles are recovered by the police in the area where stolen, many are transported interstate. This is reflected in the new record high of 19,192 such stolen vehicles which were located and recovered in FBI–investi-

gated cases during the fiscal year 1963. With the increasing number of automobiles, the activities of professional automobile theft gangs which transport substantial numbers of stolen automobiles in interstate commerce and the mounting volume of serious crime throughout the country, there can be little doubt but that the work growing out of the interstate transportation of stolen vehicles will continue to place increasing demands upon our field investigative staff.

CONCLUSION

The estimates for the fiscal year 1965 do not provide for potential contingencies resulting from additional investigative duties conferred upon the Federal Bureau of Investigation by new legislation or that may accrue through departmental or other official sources, after the preparation of our initial estimates.

Mr. ROONEY. As we indicated off the record before we commenced, we regret very much the absence of your Associate Director, Clyde Tolson. He has been here continually for all the years I have been a member of this committee, and from what I understand from what you said previously, this is the first hearing before the House Appropriations Committee Clyde Tolson has missed in 35 years. We wish him a speedy return to good health and hope he will be with us soon again.

Mr. HOOVER. I certainly thank you, Mr. Chairman.

Mr. ROONEY. Do you have your usual general statement, Mr. Director?

Mr. HOOVER. Yes, I have.

Mr. ROONEY. Will you please proceed?

GENERAL STATEMENT

Mr. HOOVER. Mr. Chairman, as you have indicated, the direct appropriation request for the Federal Bureau of Investigation, exclusive of reimbursements, for the fiscal year 1965 totals $150,445,000.

There is no increase in personnel, the request providing for 14,239 full-year employees—6,014 special agents and 8,225 clerks—the same number as approved for 1964.

Our request of $150,445,000 for 1965 is an increase of $3,545,000 when compared with the $146,900,000 approved for 1964.

FUNDS AND PERSONNEL, FISCAL YEARS 1964 AND 1965

I submit to the committee at this time an exhibit comparing the funds and personnel for the fiscal years 1964 and 1965.

There is one item that I would like to call to your attention which appears on page 24–2 of the justifications to which the chairman referred. It is the item rent, communications, and utilities, where it shows an increase of $72,000. That is there as a result of Budget Bureau requirement. At the bottom of the page you will note there is an offsetting deduction of $72,000 for a nonexpenditure transfer to the General Services Administration for first year rental of space. So actually there is no increase in that particular item.

Mr. ROONEY. We shall insert this exhibit, "Details: Funds and Personnel, Fiscal Years 1964 Versus 1965" at this point in the record.

(The exhibit follows:)

Details: Funds and personnel, fiscal years 1964 versus 1965

	Fiscal year 1964	Fiscal year 1965	Increase (+) or decrease (−)
Personnel (full-year employees):			
Seat of Government:			
Special agents	468	468	
Clerks	4,604	4,604	
Total, seat of Government	5,072	5,072	
Field:			
Special agents	5,546	5,546	
Clerks	3,621	3,621	
Total, field	9,167	9,167	
Total:			
Special agents	6,014	6,014	
Clerks	8,225	8,225	
Total, seat of Government and field	14,239	14,239	
Funds: Personnel compensation	$120,313,804	$123,711,557	+$3,397,753
Other expenses:			
Personnel benefits	8,397,099	8,604,346	+207,247
Travel and transportation of persons	5,523,816	5,523,816	
Transportation of things	850,212	850,212	
Rent, communications, and utilities	3,939,786	3,939,786	
Printing and reproduction	299,063	299,063	
Other services	1,897,338	1,897,338	
Supplies and materials	1,808,353	1,808,353	
Equipment	3,865,529	3,805,529	−60,000
Insurance claims and indemnities	5,000	5,000	
Subtotal, other expenses	26,586,196	26,733,443	+147,247
Total, all expenses	146,900,000	150,445,000	+3,545,000

ANALYSIS OF OVERALL INCREASE FOR 1965

Mr. HOOVER. Of the overall increase of $3,545,000, a net amount of $2,472,775 is brought about by factors beyond our control, as follows:

First, the second phase of the recent pay raise legislation went into effect on January 5, 1964. These higher salary rates, in effect for 6 months of the fiscal year 1964 and affecting salaries and related items such as the life insurance fund, the civil service retirement fund, and the payment of social security taxes, must be provided for during the entire 12-month period in 1965. This requires an increase of $2,949,892.

The second item that brings about an increase is the legislation pertaining to the employees' compensation fund, whereby each agency must include in its appropriation request an amount equal to the injury and death benefits paid to its employees from the fund during the last fiscal year. For the FBI, this requires an increase of $15,191.

And third, there is one less workday in the fiscal year 1965, which results in a decrease in salary and related costs of $492,308.

The subtotal of these three items is $2,472,775.

The remaining increase of $1,072,225 is accounted for by two items:

The first is to maintain the Bureau's promotional program, which requires an increase of $1,132,225.

PROMOTIONAL PROGRAM

I hand to the committee an exhibit outlining the Bureau's promotional program, which the committee has approved over the years. It indicates exactly how this program is handled in the Bureau.

Mr. ROONEY. We shall insert this exhibit at this point in the record.

(The exhibit referred to follows:)

BUREAU'S PROMOTIONAL PROGRAM

Clerks: Clerical employees in the Federal Bureau of Investigation, other than typists and stenographers, are appointed in grade GS–2 at $3,620 per annum. Typists are appointed in grade GS–3 at $3,880 per annum. Stenographers are appointed in grade GS–4 at $4,215 per annum.

Fingerprint technician vacancies in the FBI are filled from the staff of grade GS–2 ($3,620 per annum) clerical employees. Clerks are assigned to this duty who demonstrate fitness for training and advancement as technical fingerprint employees. After successfully qualifying in training and work performance for a period of 3 months they are eligible for consideration for promotion to grade GS–3 ($3,880 per annum). After 9 months' total service the employee is eligible for consideration for promotion to grade GS–4 ($4,215 per annum). After a total of 18 months of fingerprint work the employee is eligible for consideration for promotion to grade GS–5 ($4,690 per annum). After a total of 30 months of fingerprint work he is eligible for consideration for promotion to grade GS–6 at $5,235 per annum. Fingerprint positions are available only in Washington, D.C.

Special agents: Our special agents enter on duty in grade GS–10 at $7,690 per annum. After performing duties in this grade for at least 2 years, they become eligible for consideration for promotion to grade GS–11 ($8,410 per annum). They normally remain in grade GS–11 for 3 years before they become eligible for consideration for promotion to grade GS–12 at $9,980 per annum. An agent on regular investigative assignment after completing at least 4 years of satisfactory service in grade GS–12 is eligible for consideration for promotion to grade GS–13 at $11,725 per annum.

All employees: As all employees qualify for more responsible positions in the Bureau's service, they become eligible for promotion to higher grades as vacancies occur.

Our employees are eligible for within-grade salary increases on the same basis as Government employees in general; namely, by completing the prescribed waiting period of service and demonstrating performance at an acceptable level of competence. The prescribed waiting period is 1 year for the first three rates in any grade, 2 years for the next three, and 3 years for the remainder.

Mr. HOOVER. The second item is a decrease. Of 501 cars approved for purchase in 1964, only 301 were for replacement. In 1965, however, all 501 cars to be purchased are for replacement. The increased proceeds resulting from the sale of 200 additional cars bring about a decrease in the amount requested for equipment of $60,000, leaving a net increase of $1,072,225.

When the increases and decreases just discussed are broken down into the various categories shown on the exhibit presented, it will be seen that $3,397,753 is applicable to "Personnel compensation," while the remaining $147,247 affects "Other expense" items.

Our promotional program, set forth in the exhibit which I submitted to you, has been a basic part of our operations for many years. While it is conservative, providing an overall per annum increase of but $75.38 per employee ($137.96 per special agent and $29.62 per

clerk), it is an important factor in enabling us to retain experienced personnel in our service.

TENURE OF SERVICE OF EMPLOYEES

Having a staff with many years of experience is one of the factors which has enabled us to take on added work over the years without commensurate increases in our staff. The chart which I present to you at this time gives a picture of the long service records of our staff.

It shows that of the 13,833 employees on the rolls on January 1, 1964, a total of 6,353, or 46 percent, have service records of 10 years or more; 77 percent of the agent staff and 21 percent of the clerical force fall in this category, which includes an impressive total of 2,502 employees who have been with us for more than 20 years. That, as I have indicated, contributes materially to the absorption of additional work and to the efficiency which the Bureau has been able to maintain.

WORKLOAD TRENDS

During the fiscal year 1963 the Bureau continued to experience heavy workloads in its service function work at the seat of Government pertaining to name checks, fingerprint checks and in the scientific examinations handled by the FBI Laboratory, as well as in the investigative work throughout our field service.

New legislation enacted since September 1961 continues to result in a substantial amount of new work, a total of 20,749 new cases having been opened by January 1, 1964, as a result of it. This is an increase of 10,617 cases since I appeared before this committee last year.

I hand to the committee an exhibit which shows the volume of new cases opened as a result of the new legislation.

Mr. ROONEY. I suggest that we insert this exhibit at this point in the record.

(The chart referred to follows:)

Volume of new cases opened as result of new legislation, Jan. 1, 1964

Crime aboard aircraft	131
Interstate transmission of wagering information	7,133
Interstate transportation of wagering paraphernalia	2,258
Interstate travel or transportation in aid of racketeering	3,433
Destruction of property moving in interstate or foreign commerce	272
Peace Corps Act	290
Arms Control and Disarmament Act	41
Interference with Government communications system	94
Federal Firearms Act amendment	9
Interstate transportation of fraudulent State tax stamps	5
Fugitive Felon Act amendment	6,603
Welfare Pension Plans Act amendment	58
Civil demand of records in antitrust matters	15
Interstate Transportation of Gambling Devices Act amendment	406
Interstate transportation of counterfeit phonograph record labels	1
Total new cases opened	20,749

Mr. HOOVER. Special type investigations have continued to place very heavy demands upon our available manpower and resources. For example, matters growing out of the sit-ins, bombings, and related problems at Birmingham, Ala., required the peak assignment of 231 special agents, who put in 19,457 hours of unpaid overtime. Overall, our costs at Birmingham are estimated at $434,965 as of January 11, 1964.

At the same time, the work growing out of our responsibilities in meeting security and counterintelligence objectives against communism and espionage activities continues to become more complex; there has been a great increase in our work in the civil rights field; and new peaks have been reached in several classifications of criminal work.

OVERTIME SERVICES

The immediate and continuous assignment of manpower is required for the successful handling of many of the investigative assignments which our special agents receive. I have in mind such cases as kidnaping, bombing, and civil rights cases. This makes overtime services unavoidable in many situations. At the same time, it greatly increases the productive capacity of our investigative staff.

The 3,175,081 hours of overtime services of our investigative staff during the fiscal year 1963 represented an average of 1 hour and 14 minutes a day on the part of each member every workday of the year in excess of the 1 hour and 12 minutes per day for which fringe benefits were paid. In other words, each agent worked an average of 2 hours and 26 minutes a day overtime but received compensation for only 1 hour and 12 minutes.

The total overtime performed was equivalent to the service of 1,526 special agents on a full-year basis. Had it been necessary to employ the 1,526 agents, the estimated cost would have been $17,293,428. Under the fringe benefit regulations, however, the overtime was compensated only to the extent of $5,830,630, or a saving of $11,462,798 when compared with the value of the total overtime performed.

REPLACEMENT OF AUTOMOBILES

The Bureau is authorized to maintain a fleet of 3,304 passenger-carrying vehicles.

This exhibit I hand to the committee provides information as to the age and mileage of this fleet.

While we will have an estimated 1,445 vehicles which will have met the Government's minimum replacement standards as to age and mileage, we are requesting funds for the replacement of only 501, the same number we were allowed to purchase by the committee last year.

Mr. ROONEY. We shall insert this itemization with regard to the motor vehicles at this point in the record.

(The tabulation referred to follows:)

Itemization of FBI authorized fleet of 3,304 passenger-carrying vehicles by year models and estimated accumulated mileage groups for fiscal year 1965, with summary showing vehicles meeting replacement standards during 1965

Miles	1951	1955	1956	1958	1959	1960	1961	1962	1963	1964	Total
0–9,999	-----	-----	-----	-----	-----	2	-----	3	16	-----	21
10,000–19,999	-----	-----	-----	-----	-----	2	3	8	87	349	449
20,000–29,999	-----	-----	-----	-----	3	5	14	54	175	125	376
30,000–39,999	-----	-----	-----	9	8	22	67	116	109	27	358
40,000–49,999	-----	-----	-----	50	25	62	94	123	65	-----	419
50,000–59,999	-----	1	-----	133	54	103	114	87	27	-----	519
60,000–79,999	1	-----	-----	147	175	178	123	81	18	-----	723
80,000–99,999	-----	1	1	-----	136	74	49	23	4	-----	288
100,000 and over	-----	-----	-----	-----	64	49	32	6	-----	-----	151
Total	1	2	1	339	465	497	496	501	501	501	3,304

Summary showing vehicles meeting replacement standards of either 6 years age or 60,000 miles of operation:

Number meeting mileage standard but not age	637
Number meeting age standard but not mileage	283
Number meeting both age and mileage standard	525
Total number of vehicles meeting replacement standards	1,445
Replacements included in funds requested	501
Total number meeting replacement standards for which no funds are being requested	944

APPROPRIATION LANGUAGE CHANGE

Mr. HOOVER. Last year, the appropriation language provided that 301 of the 501 vehicles to be purchased were for replacement purposes. For 1965, the language has been changed to show that all 501 are replacement vehicles.

ESTIMATED REIMBURSEMENTS, 1964 AND 1965

It is estimated that the Bureau will receive reimbursements totaling $1,474,198 during the fiscal year 1965. These funds, which are for work performed for other Government agencies and from the sale of automobiles to be replaced, are not included in our pending direct appropriation request.

I submit to the committee an itemization of the estimated reimbursements for the fiscal years 1964 and 1965.

Mr. ROONEY. We shall insert the itemization of estimated reimbursements for the fiscal years 1964 and 1965 at this point in the record.

(The itemization follows:)

Itemization of estimated reimbursements, fiscal years 1964 and 1965

	Fiscal year 1964	Fiscal year 1965	Increase (+) or decrease (−)
Atomic Energy Commission	$1,085,000	$1,120,000	+$35,000
Workload: Investigations: 1964, 1,400, at $375, 1,400, at $400, total, 2,800; 1965, 2,800, at $400.			
Civil Service Commission (United Nations program)	75,800	77,398	+1,598
Workloads: Name checks: 1964, 763, at $1.60, 763, at $1.65, total, 1,526; 1965, 1,526, at $1.65. Full-field (loyalty) investigations: 1964, 39, at $920, 39, at $960, total, 78; 1965, 78, at $960.			
Agency for International Development	55,200	30,800	−24,400
Workloads: Applicant investigations: 1964, 50, at $500. Training of foreign police officers: 1964, 20, at $740, 20, at $770, total, 40; 1965, 40, at $770.			
Office of Science and Technology	94,000	96,000	+2,000
Workload: Investigations: 1964, 50, at $920, 50, at $960, total, 100; 1965, 100, at $960.			
House Appropriations Committee (loan of personnel)	300,000	----------	−300,000
Subtotal, reimbursements from other accounts	1,610,000	1,324,198	−285,802
Proceeds from sale of cars to be replaced	90,000	150,000	+60,000
Total estimated reimbursements	1,700,000	1,474,198	−225,802
Number of cars to be replaced	301	501	+200

NOTES:

The increases in unit costs shown above are due to the pay increases provided by Public Law 87-793, which were effective with receipts on and after Jan. 5, 1964.

The above reimbursable funds will provide the following full-year employees:

	Fiscal year 1964	Fiscal year 1965	Increase (+) or decrease (−)
Agents	84	66	−18
Clerks	45	45	----------
Total	129	111	−18

Investigative Accomplishments, Fiscal Year 1963

Mr. Hoover. I would like to relate some of the investigative accomplishments of this Bureau for the fiscal year 1963.

Substantial increases in fines, savings, and recoveries, as well as in fugitives located and in convictions recorded, resulted from our investigations during the fiscal year 1963.

CONVICTIONS AND SENTENCES

There were 12,816 convictions in cases investigated by the FBI, an increase of 181 over the fiscal year 1962.

Convictions were recorded against 96 percent of the persons brought to trial and 93 percent resulted from guilty pleas.

As a result of these convictions, the courts imposed sentences, including actual, suspended, and probationary, totaling 37,009 years. In addition there were seven terms of life imprisonment.

FUGITIVES

A total of 11,887 fugitives were located, an increase of 724 over the previous fiscal year.

FINES, SAVINGS, AND RECOVERIES

Fines, savings, and recoveries in cases investigated by the FBI during 1963 reached a new peak of $186,225,348—an increase of $11,664,007 over the 1962 record. This averages out to a return of $1.37 for every dollar of direct funds appropriated to the FBI during the fiscal year 1963.

AUTOMOBILES RECOVERED

A new record was also set in 1963 with the location through FBI-investigated cases of 19,192 stolen automobiles which had been moved in interstate or foreign commerce.

The chart which I present to the committee provides an overall picture of the upward trend in our accomplishments over the past 3 years. It also shows the amount of funds appropriated to us during each of these years.

ASSISTANCE OF CONFIDENTIAL INFORMANTS

The accomplishments of the FBI, as well as those of numerous local, State, and Federal law enforcement agencies, were aided by the work of our confidential informants. The development of good informants having personal knowledge of criminal activity in various areas is an important part of our penetration of the organized underworld.

Quietly working behind the scenes to assist in the solution of major crimes in all parts of the Nation, these men and women furnished data which directly resulted in the location of 2,615 persons, including 1,215 fugitives, and the recovery of stolen merchandise and contraband valued at $7,022,307.

Information received from our informants concerning matters within the investigative jurisdiction of local, State, and Federal agencies was promptly furnished to these agencies. This led to 2,751 arrests and in the recovery of goods totaling $2,157,812 by these other law-enforcement agencies.

The chart which I present to the committee graphically depicts the substantial accomplishments in criminal cases directly attributable to the splendid assistance of our confidential informants over the past 3 years.

I might point out that in one case alone, a narcotics case, which we turned over to the New York City police and the Federal Bureau of Narcotics, there was a recovery of over $23 million as a direct result of information supplied by the Bureau. This information was developed by one of our informants at the risk of his life. At the time, this was described as the largest single narcotics recovery ever made by a municipal force and the second largest in the history of the Nation.

DISSEMINATION OF CRIMINAL INFORMATION

During the course of our investigations we continually develop items of information which are of significance to other Federal, State, and local law-enforcement agencies. All such information is promptly relayed to the appropriate agency which can effectively take action on it. This close cooperation with and assistance to other law-enforcement agencies is reflected in the 137,741 items of criminal intelligence information disseminated to these agencies during the fiscal year 1963—up sharply from the 112,280 items disseminated during the prior year. We, in turn, receive substantial information from these agencies which is of interest to our work.

I would like to point out there has been a great deal of agitation, publicly and otherwise, for a national clearinghouse in the Nation. As a matter of fact such is in operation today, as these figures demonstrate.

SERVICE FUNCTION WORK AT SEAT OF GOVERNMENT

I shall now discuss some of the highlights of our service function work pertaining to fingerprint checks, name checks, and the scientific examinations by the FBI Laboratory. All of this work has continued at a heavy volume during the fiscal year 1963.

Mr. ROONEY. It has gone down, though, compared to 1962?

Mr. HOOVER. There has been a small drop in two items.

FINGERPRINTS

A total of 5,720,537 sets of fingerprints were received during the fiscal year 1963.

In addition there were 871,512 miscellaneous forms processed, such as wanted notices and disposition of arrest sheets, and 114,719 wires and pieces of correspondence handled on which no fingerprints were received.

The volume of fingerprint work is expected to mount to an estimated 6 million sets of prints in 1965.

As of January 1, 1964, our Fingerprint Division had a total of 169,354,866 sets of fingerprints on file.

I hand to the committee a chart showing the types of fingerprints in FBI possession, that is, personal identification, aliens and prisoners of war, criminals, Government services and miscellaneous applicants.

The outstanding benefits which accrue to the citizens and to law enforcement at all levels throughout the country through the services of the FBI's centralized fingerprint file are reflected in its accomplishments:

(1) Of more than 2 million police prints searched against our centralized file in the fiscal year 1963, 78 percent were identified with prior police prints on file.

(2) An alltime high of 19,541 fugitives being sought by Federal, State, and local law enforcement agencies were identified by fingerprint searches.

(3) Of the 1,279 sets of fingerprints of unknown deceased persons received during 1963, 1,030 or 81 percent were identified through fingerprint searches with prior prints on file.

(4) During 1963 our disaster squad—a group of fingerprint experts specially trained for identification of people who have been killed in some national disaster—assisted in the identification of the victims of five airplane crashes in which 106 persons died. Fingerprints were obtained from 68 of these victims—many of the bodies were burned beyond recognition—and 56 or 82 percent were identified by this means.

(5) During 1963 a total of 76,309 items of evidence in 9,668 cases were received for processing by FBI fingerprint experts as to the presence and development of latent fingerprint impressions. Fingerprints of suspects were identified with latent prints developed from items of evidence in 795 separate cases.

I submit to the committee a chart showing our growing accomplishments in this work.

NAME CHECKS

I submit for the record a statement concerning our name check work.

Mr. ROONEY. We shall at this point insert in the record these two sheets regarding name checks.

(The sheets follow:)

NAME CHECKS

During 1963, a total of 1,823,184 name checks were handled by the FBI, a continuation of the heavy volume experienced during the prior year. More than 1 million of these requests were submitted by other Federal agencies for check against our files to determine any available information which might assist them in bolstering their defenses against persons associated with criminal reputations, subversive backgrounds, and the like. This is in keeping with Presidential directives dating back to 1939 which vested the FBI with the responsibility of correlating security information and disseminating it to appropriate Federal agencies.

Our name check responsibilities are expected to result in work of a continuing heavy volume with an estimated 1,900,000 name checks to be received in 1965.

Name check workloads, trend 1960–65 fiscal years

Fiscal year	Volume	Increase over 1960		Increase over 1963	
		Number	Percent	Number	Percent
1960 actual	1,571,834				
1961 actual	1,628,685	56,851	4		
1962 actual	1,832,930	261,096	17		
1963 actual	1,823,184	251,350	16		
1964 estimated	1,900,000	328,166	21	76,816	4
1965 estimated	1,900,000	328,166	21	76,816	4

FBI LABORATORY SERVICES

Mr. HOOVER. The FBI Laboratory made a total of 247,894 scientific examinations during the fiscal year 1963, a new alltime high. All factors indicate that this work will continue to increase, it being estimated that at least 250,000 examinations will be made in 1965.

I hand to the committee a chart which shows the growth of examinations made by the Laboratory over the last 4 years.

The FBI Laboratory as a service agency is of great assistance to law enforcement at all levels throughout the country. Its services are cost free to those other agencies which desire to avail themselves of them.

This chart which I hand to the committee shows the geographical distribution of the 46,510 examinations made for non-Federal law enforcement agencies by our Laboratory during 1963.

I would like to submit to the committee a report which deals with some of the Laboratory work which I think might be of interest if you wish to place it in the record.

Mr. ROONEY. We shall insert these four pages at this point in the record.

(The pages follow:)

Many factors have contributed to the continual growth of the Laboratory's ability to meet its fundamental responsibility of service to local and State law enforcement organizations, as well as to the FBI and other Federal agencies. These include the discovery of new scientific techniques, the development of new equipment, the initiation and maintenance of extensive reference files, objective research programs, and a staff of highly expert scientists whose professional careers are devoted to the application of science in the fight against crime. At the same time, over the years, the Nation's investigative agencies have come to rely more and more heavily upon the sciences to assist in promoting the interests of justice.

The Laboratory is called upon to utilize virtually every branch of science in making examinations of the seemingly unlimited variety of evidence received throughout the year. This includes such diverse items as soil, firearms, hairs and fibers, secret inks, shoe and tire prints, bloodstains, tool marks, ballistic matters, glass fractures, and typewriting and handwriting samples. In many instances, it is necessary to develop new techniques to make the desired examination.

The scientific examinations can often tie the suspect to the scene of his crime or identify him with other related criminal activity.

NATIONAL FRAUDULENT CHECK FILE

For example, the Laboratory's national fraudulent check file serves as a valuable tool in scientific law enforcement in tracking down the professional checkpasser who moves rapidly from one community to another. During 1963, the Laboratory received for examination 32,381 fraudulent checks with an indicated face value of nearly $6 million. Through the national fraudulent check file we were able to identify 18,699, or 58 percent, of such checks.

CRYPTANALYSIS-TRANSLATION WORK

The wide variety of the work of the Laboratory is further illustrated by the extensive cryptanalysis and translation work handled. This ranges from the breaking of codes and ciphers used by bookmakers to secret writings in matters vitally affecting the security of the country.

The science of cryptanalysis has long overtaken man's ability to perform by hand the mathematical and statistical computations which are needed to decipher the coded material. Use of electronic data-processing equipment is now an absolute necessity. During 1963, the use of this equipment produced in 15,181 man-hours, results which would have required an estimated 299,726 man-hours without such equipment.

FBI Laboratory Established November 24, 1932

Breakdown showing for whom scientific examinations made (fiscal year 1963)

	Number	Percent
FBI	174,281	70
States, foreign countries, territorial possessions	46,510	30
Other Federal agencies	27,103	
Total	247,894	100

Scientific examinations handled, trend 1960–65 fiscal years

Fiscal year	Volume	Increase over 1960		Increase over 1963	
		Number	Percent	Number	Percent
1960 actual	210,745				
1961 actual	224,183	13,438	6		
1962 actual	231,456	20,711	10		
1963 actual	247,894	37,149	18		
1964 estimated	250,000	39,255	19	2,106	1
1965 estimated	250,000	39,255	19	2,106	1

Training and Inspection Programs

Mr. Hoover. Our training and inspection programs are vital to the effectiveness of our investigative and administrative operations.

Training of employees in the FBI is a continuing program. From the initial 14-week group training afforded new special agents to brief indoctrination classes or meetings for noninvestigative personnel, their training is a continuing part of their work. Advancement in the FBI is contingent upon knowledge, ability, and effectively expended effort, and we do all that we can to encourage and assist every employee to learn, to improve, and to advance.

INSPECTION

Working closely with our training activities is a program of inspection which has been in operation since the inception of the FBI. It helps the Bureau to function with an economy of time, effort, and money. It helps in the attainment of maximum standards of production, in the elimination of obsolete procedures, in the streamlining of investigative operations, in the correction of delinquencies, and in the curtailment of expenditures.

Our determined effort to avoid unnecessary or excessive expenditures is greatly aided by our personnel. In instance after instance employee suggestions and outstanding work have helped us trim expenditures, to streamline operations, and to perform more efficiently. Indicative of their dedication are the 1,203 cash awards they earned during 1963 for valuable suggestions or outstanding achievements. The value of these awards totaled $233,295.

FBI NATIONAL ACADEMY

Training in the FBI also encompasses our cooperative training programs on behalf of all law enforcement agencies. Foremost in this area is the FBI National Academy with its theme of providing instruc-

tion to ranking police officers in the latest administrative and investigative developments in the law enforcement profession. The graduates of this "West Point of Law Enforcement" number 4,454 and over 28 percent of the graduates now actively engaged in law enforcement are the executive heads of their respective agencies.

Helping to equip these officers as administrators and instructors not only aids them and the law enforcement agencies they represent in the fight against the steadily increasing rate of crime, but also further advances the level of law enforcement as a profession throughout the free world.

In this regard, the skilled and experienced officers of the 72d session who graduated on November 6, 1963, included 18 officers from 13 foreign countries, the largest number ever to attend any session of the FBI National Academy. This makes a total of 80 officers representing 28 foreign countries throughout the world who have graduated from the Academy to date.

Mr. ROONEY. You get reimbursement for those?

Mr. HOOVER. Yes. Their expenses are paid to Washington and while they are in Washington by the Agency for International Development. We do get reimbursement from the Agency for International Development in the amount of $770 for each foreign officer covered by the AID program. This reimbursement covers the cost of processing the application, the additional training the officer receives while at the Academy and the cost of the ammunition he uses in connection with firearms training.

LOCAL LAW ENFORCEMENT SCHOOLS

At the request of local law enforcement agencies, we furinshed assistance in the way of instructors, and the like, in 3,801 training schools, attended by approximately 105,000 officers, which were held by State and local law enforcement agencies throughout the country. There is no charge for the services which we provide in this cooperative training activity.

Law enforcement agencies, in carrying out an extensive training program, know the value of such training. By fostering in the police officer the desire for learning all that he can regarding his work and by providing the means to do so, the law enforcement agency develops a better force for the protection of the citizen and the safeguarding of his liberties. Overall, it has enabled the law enforcement profession to make great strides and the efficient, well-disciplined and effectively trained police officer is now the rule rather than the exception.

LAW ENFORCEMENT CONFERENCES

The cooperative efforts of all law enforcement agencies in combating mutual problems are aided by the series of annual law enforcement conferences sponsored by the FBI. The 258 conferences held during the fiscal year 1963, which were attended by 26,964 individuals representing 11,077 agencies, were concerned with the growing number of bank robbery violations, which have been on the increase for some years.

"FBI LAW ENFORCEMENT BULLETIN"

As a means of providing the law enforcement profession with timely information and reports regarding law enforcement work, the Bureau for many years has published and distributed to law enforcement agencies throughout the country a monthly professional journal called the "FBI Law Enforcement Bulletin." Approximately 48,000 copies are distributed each month, and the exhibit which I hand you is the latest issue.

"THE STORY OF THE FEDERAL BUREAU OF INVESTIGATION"

The Bureau receives many requests from citizens for information regarding the FBI. The publication, "The Story of the Federal Bureau of Investigation," which was first prepared at the suggestion of this committee some years ago, continues to serve very well in answering inquiries regarding the Bureau's work and accomplishments in the law enforcement field. Many of these inquiries come from students in high schools and colleges.

NATIONAL CRIME TRENDS

Mr. HOOVER. During the past 5 years, crime in the United States has increased almost four times faster than the Nation's population. Based on the reports from about 8,000 law enforcement agencies throughout the country, there were an estimated 2,048,370 serious crimes committed in the calendar year 1962, a 6 percent increase over 1961. On an average, there was a murder, forcible rape, robbery, aggravated assault, burglary, major larcency, or automobile theft every 15 seconds during 1962.

Preliminary statistics for the calendar year 1963 indicate a continuing upward trend. During the first 9 months of 1963, there was a 10 percent increase in serious crimes over the same period in 1962. While forcible rape remained at about the same level, robbery increased 4 percent, murder rose 5 percent, aggravated assault climbed 6 percent, burglary had a rise of 9 percent, auto theft mounted 11 percent, and major larceny jumped 13 percent.

I submit a chart which portrays this crime trend in the United States.

I would also like to present for insertion in the record some of the crime highlights in the United States. There is one particular phase, however, to which I want to refer.

LAW ENFORCEMENT OFFICERS KILLED

During the calendar year 1962, 48 law enforcement officers were murdered by felons, while 30 lost their lives in traffic accidents. For the 3-year period 1960–62 a total of 113 law enforcement officers were killed by felons. One hundred nine of the officers were shot to death. In 86 of these instances a revolver or automatic pistol was used while shotguns and rifles were the instruments of death on 23 occasions. One hundred forty-two individuals were involved in the murders of police officers during the 3-year period. A review of their criminal histories disclosed that 80 percent had records of prior arrests and 75 percent had been convicted on one or more occasions.

Leniency in the form of probation and parole had been previously granted to 56 percent of the offenders, and 37 percent were on parole or probation at the time they murdered a law enforcement officer. Ten police officers per 100 were assaulted during the course of duty in 1962.

Mr. ROONEY. It might be well if we inserted this discussion of crime highlights at this point in the record.

(The matter referred to follows:)

CRIME HIGHLIGHTS

As a general rule, crime rates which relate national population to the incidence of crime are highest in those locations experiencing the fastest growing population. The national crime rate in 1962 was 1,102 serious crimes per 100,000 persons. This crime rate was 5 percent higher than the rate in 1961 and 10 percent higher than the average rate for the period 1959–61.

CRIMES AGAINST PROPERTY AND THE PERSON

Crimes against property—robbery, burglary, larceny of $50 and over, and automobile theft—made up 92 percent of the serious crimes committed in the United States in 1962. They increased 7 percent in volume over 1961. Crimes against the person—murder and nonnegligent manslaughter, forcible rape, and aggravated assault—rose 4 percent in volume over 1961.

BURGLARY

Burglary alone accounted for 44 percent of the serious crimes recorded in 1962. The average value of property stolen in the estimated 892,800 burglaries was $192 for a total loss of about $171 million. This sum does not include any valuation on the property damaged or destroyed during the commission of the crime. Seventy-seven percent of the burglaries occurred at night. Nonresidence burglaries, which include stores, offices, public buildings, warehouses, and other business places, accounted for 57 percent of these crimes, and 92 percent of these were committed at night. In at least 21 percent of the burglaries, the burglar was able to use some open means of entry.

LARCENY CRIMES

Larceny crimes increased 8 percent over 1961 and the ratio of larceny under $50 value to larceny $50 and over was about 3 to 1. We should recognize that many larcenies, particularly those of small value, are not reported to the police. An estimated 2 million larcenies occurred during 1962, and the average loss from each offense was $76 or a total of about $152 million. Shoplifting increased 17 percent in 1962, followed by bicycle theft, which increased 11 percent. Thefts from autos went up 10 percent and purse snatching rose 8 percent.

ROBBERY

Robbery is primarily a big city crime because of the frequency with which it occurs in those areas. There were an estimated 95,260 robberies in 1962 which was a 4 percent increase over 1961. Cities with over 250,000 population had a robbery rate of 158 for each 100,000 inhabitants which was more than 6 times the rate for suburban counties surrounding large cities and 15 times greater than in rural areas. Cities over 1 million population had a robbery rate over 4 times greater than all other cities combined, 9 times that of suburban counties, and almost 20 times the rate in rural areas. The total estimated value taken during robberies in 1962 was $21,243,100 and an average loss of $223 for each offense.

AUTO THEFTS

A study was also conducted in 1962 concerning auto theft. An estimated 356,100 cars were stolen during 1962 with a property value of about $308 million, and the average value of each car was $866. The police nationally recover over 90 percent of all automobiles stolen and clear by arrest 25 percent of these thefts. It was determined that 62 percent of the persons arrested for auto theft were under the age of 18 and 87 percent of all arrests for this offense were of persons under the age of 25. Over half of the automobiles stolen were

taken from public streets in residential areas or from private residences. Over two-thirds of all the thefts occurred at night, and 42 percent of the stolen motor vehicles either had the key in the car or the ignition was unlocked. Our study indicated that law-enforcement agencies are able to recover 55 percent of the cars stolen within 48 hours. The mobility factor is another obstacle which presents itself in connection with auto thefts since numerous of the stolen automobiles are recovered by agencies outside the jurisdiction where the original theft occurred.

Prevention is the best hope of reducing the number of auto thefts, particularly when we recognize the number of young people involved in the transportation-type thefts. Many of the auto thefts by young people are impulsive acts dangerous to them as a beginning of a life of crime and frequently dangerous to the police and the law-abiding citizen. The public has a definite responsibility in reducing the opportunity for theft by removing the key from the car and locking the ignition. A positive attitude change in this connection can materially reduce auto theft.

AID OF DYER ACT IN AUTO THEFT PROBLEM

Law enforcement needs every weapon at its command to cope with car thieves. In spite of this, there are a few in some quarters who actually advocate the repeal of the existing Federal statute specifically designed to help fight auto theft—the Dyer Act.

Such a proposal could not be based on an objective appraisal of the overall problem. The operational scope of highly professionalized car theft rings is almost unlimited.

We have approximately 65 such gangs under investigation. Some car theft rings involve as many as 100 motor vehicles each. These investigations are complex and far flung, usually requiring prompt, simultaneous action at different locations. Further, on a national basis, 20 percent of all automobiles stolen are recovered in jurisdictions other than that in which the theft occurred. Local authorities can hardly be expected to have facilities necessary to successfully follow through on cases involving multiple jurisdictions in various States. It is only logical that the responsibility fall on an investigative agency having jurisdiction wherever investigation is needed.

Some reasons advanced for the repeal of the Dyer Act include: (1) delays in obtaining judgment in Federal courts because of matters being handled which have no legitimate Federal interest, and (2) the large number of Federal prison inmates, mostly juvenile, serving sentences for interstate transportation of stolen motor vehicles. The facts, however, do not support these contentions. During the fiscal year 1962, of the 36,108 defendants brought before Federal courts, only 15 percent were charged under the interstate transportation of stolen motor vehicles statute. Of these, the vast majority pleaded guilty, leaving only about 3 percent of the total Federal court defendants to stand trial under the statute.

Some 1,490 auto thieves under 18 years of age were handled under the Federal Juvenile Delinquency Act during the 1962 fiscal year. Of these, 40 percent were diverted to State courts or dismissed, 25 percent received probation and only 35 percent were committed to Federal institutions. In addition, 73 percent of the paroles granted to Federal Juvenile Delinquency Act prisoners in the fiscal year 1962 were to inmates charged with auto theft. Accordingly, it would appear that juveniles detained in Federal prisons under auto theft convictions represent a rather small percentage of the total inmates. This is particularly true when compared with their disproportionate representation in the national auto theft problem where 62 percent of all arrests are of persons under 18 years of age.

Today, with almost 80 million motor vehicles on the Nation's highways and the auto theft total increasing annually, the nullification of any available means to fight the crime would be a crippling blow to law enforcement.

POLICE EFFECTIVENESS

More than half of the cash and property stolen in robberies, burglaries, larcenies, and automobile thefts in 1962 was recovered as a result of effective law enforcement work.

The vast majority of crimes against the person are cleared by arrest. In 1962, 93 percent of all murders, 81 percent of the negligent manslaughters, 66 percent of the forcible rapes, and 76 percent of the aggravated assaults were cleared by arrest. Clearance of property crimes occurred in 38 percent of the

robberies, 28 percent of the burglaries, 20 percent of the larcenies, and 25 percent of the automobile thefts. The sheer volume of such crimes is a major factor in keeping down the solution rate. Lack of witnesses concerning these crimes is a principal handicap. The success of law enforcement efforts in solving crimes often is dependent upon citizen alertness, cooperation, and general assistance.

YOUTHFUL CRIMINALITY

Mr. HOOVER. There was a 9 percent increase in the calendar year 1962 over 1961 in the number of arrests of persons under 18 years of age. These young persons accounted for 18 percent of the arrests in suburban counties, 16 percent in the cities and 13 percent in rural areas. Arrests of young people have increased more than three times as fast as their population growth over the past 6 years. For the country as a whole, in 1962 persons under 18 years of age comprised 62 percent of the arrests for auto theft, 51 percent for larceny, 49 percent for burglary, 25 percent for robbery, 19 percent for forcible rape, 13 percent for aggravated assault, and 8 percent for murder and nonnegligent manslaughter. For these crimes as a group, juveniles were represented in 45 percent of the total arrests.

When considering a broad range of arrests reported by the police, including drunkenness, vagrancy, and simple assault, as well as the more serious criminal acts, there is a general slowing down in criminal activity as the young people progress in age.

I present to the committee a chart which reflects this trend of total arrests by age groups for the calendar year 1962.

However, the extent to which young age groups heavily influenced arrests for the serious crimes of murder, forcible rape, robbery, aggravated assault, burglary, larceny, and auto theft is reflected in this chart which I now hand to the committee.

The previous chart I handed to the committee shows that when considering the broad range of arrests, the 20 to 24 age group ranks highest with a rate of 67 arrests for each 1,000 in that age group. However, when considering just the selective, more serious crimes as shown in the second chart, the 15- to 19-year -old age group (with a rate of 21 arrests for each 1,000) nearly doubled the rate of the older age group (with a rate of 12 arrests for each 1,000).

PAROLE, PROBATION, AND CLEMENCY ABUSES

The contempt for law and order which has become increasingly evidenced by criminals throughout the country appears to be causing a second look by many responsible citizens at the deadly dangers of unwarranted parole, probation, and other forms of leniency.

Crimes of outrageous brutality in various parts of the country have prompted a greater awareness on the part of the public that all of the rights do not rest with those accused of outrageous crimes but, on the contrary, the victims of these depredations also have rights that must be protected.

Greatly aiding intelligent authorities in facing up to the reality of this problem are responsible journalism and outspoken editorial concern. A leading New York City newspaper has pointedly highlighted the irresponsibility of what they term "turnstile justice" which

permits repeating offenders to remain free of confinement to commit continually more serious crimes. This newspaper has prominently depicted shocking details of vicious crimes committed by hardened hoodlums and has called for stiffer laws and judicial treatment for such offenders. It clearly sets forth views of concerned officials such as the Brooklyn, N.Y., district attorney who said that—

> We've got a duty to protect society and we can't spend time agonizing over how bad boys got that way. We've got to deal with the finished product.

Supporting this enlightened viewpoint, a New York State senator placed the blame for soft treatment accorded young hoodlums on a small but voluble segment of the public and the courts. He commented—

> The bleeding hearts society is so concerned for the ruffians and hoodlums that they are spilling the blood of the community in their overpaternalistic approach to defend these young offenders.

He proposes a new law for his State that would inject these new requirements upon the courts: (1) Scrutinize with thoroughness the background of a youngster when he is brought into court; (2) understand and evaluate immediately the nature and quality of the defendant as well as his act; (3) increase the court's power to deal with offenders rapidly and bring their cases to trial for fast disposition; (4) stiffen sentences for offenses that are not childish pranks but threats against the entire community.

I think these suggestions made by that New York State senator are very sound and practical. It would be well if they could be adopted throughout the United States.

The FBI regularly receives reports from law enforcement agencies throughout the country which clearly indicate that hardened criminals are being constantly turned loose on society after serving little or no time in prison for violent crimes against persons and property. The legitimate, humanitarian aspects of parole and probation are mocked by such cases and grave injustices are done the law-abiding citizen who has a right to peace and security.

I submit to the committee for the record a statement that cites some of the typical cases where leniency should not have been given.

Mr. ROONEY. We shall insert this paper, "Typical Reports of Unrealistic Judicial Leniency" at this point in the record.

(The matter referred to follows:)

TYPICAL REPORTS OF UNREALISTIC JUDICIAL LENIENCY

MURDER OF LOS ANGELES, CALIF., POLICE OFFICER

Indicative of the transcontinental nature of unrealistic judicial leniency is the case of Gregory Ulas Powell and Jimmy Lee Smith, two hardened ex-convicts who brutally murdered a Los Angeles police officer on the night of March 10, 1963, after kidnaping the slain officer and his partner. The murdered officer was shot by both Powell and Smith as he stood with his hands over his head. Powell first shot the officer in the mouth and Smith fired four more shots into the officer as he lay dying on the ground. Both of these murderers were on parole at the time of this crime and had received leniency in the form of conditional release, parole, or probation a total of eight times. Powell's criminal record included arrests for interstate transportation of a stolen motor vehicle, parole violation, escape from a Federal penal institution, statutory rape, suspicion of burglary, grand theft, possession of narcotics, and a vagrancy-lewd charge. He escaped from confinement in connection with one of his prison sen-

tences and violated conditions of his release on two other occasions. Smith has been arrested for auto burglary, petty theft, and numerous violations of narcotics and burglary laws. Like Powell, Smith had escaped confinement on one occasion and received probation or parole on several occasions.

On September 4, 1963, Powell and Smith were found guilty of murder in the first degree in a jury trial in Superior Court, Los Angeles, Calif. The jury voted a death penalty for Powell and Smith but no execution date has been set until the death penalty sentence is reviewed by the California Supreme Court, an automatic procedure when a death sentence is voted.

MURDER OF NEW JERSEY POLICE OFFICERS

Another case which has recently highlighted the dangers of unwarranted leniency involved Frank Falco and Thomas Trantino who allegedly murdered a 40-year-old Lodi, N.J., police sergeant and a 21-year-old probationary patrolman on August 26, 1963, as the officers questioned them in a bar concerning a report that gunshots had been fired there. Falco, Trantina, and a third individual, Anthony Cassarino, had allegedly committed a burglary earlier that night in Brooklyn.

Upon being questioned at the bar, Trantino reportedly seized the sergeant from behind, Falco seized his gun, and Trantino then allegedly pistol-whipped the sergeant and shot him twice in the head and once in the back. Falco then forced the unarmed probationary patrolman to strip off his clothes after which Falco shot him using two pistols at the same time.

On August 28, 1963, Falco was located in a Manhattan hotel room by New York City police officers and when called upon to surrender began fighting furiously. After striking a detective lieutenant on the head and shoulder in a struggle for the officer's gun, Falco was shot and killed. Despite the heroic action of the detective, who had previously arrested nine murderers without firing a shot, he was vilified by some sources who demanded a probe of the shooting. In replying to criticism, the New York City police commissioner pointed out that prior to the Falco incident, nine police officers had been shot to death in New York City since 1961 and all of their killers were taken alive except one who elected to shoot it out after slaying a woman and two patrolmen in Coney Island. He added that in the Falco incident, the arresting officer, while accompanied by other officers, attempted to arrest Falco alone in a small room but that when Falco started to fight furiously and seized the officer's gun, the officer felt Falco would use it to kill all of the arresting party, at which time he shot and killed the fugitive.

Falco's criminal record reflects his first conviction in April 1959, for attempted robbery but includes three prior felony arrests, one of which was dismissed and two of which resulted in suspended sentences. He was paroled from Great Meadow Prison on August 16, 1961, returned as a parole violator on July 11, 1962, and discharged on January 29, 1963. Trantino was arrested on a narcotics charge in August 1954, but received a suspended sentence and was placed on probation. In March 1956, he was arrested for robbery and received a 5- to 10-year sentence.

Falco and Anthony Cassarino also allegedly shot and killed a 19-year-old male in a New York City tavern on July 12, 1963, shooting him twice in the back of the head. The murder victim's body was subsequently dumped in the East River where it was recovered the following day.

ORGANIZATION OF THE FBI

Mr. HOOVER. Before proceeding to some of the highlights of our field investigative operations, I should like to present a chart which provides a quick picture of the overall organization of the FBI.

Our field staff is assigned to our 55 field offices which strategically cover all 50 States and Puerto Rico. To save time, money and unnecessary travel, we have resident agencies in about 500 other cities and towns throughout the country, each under the direct supervision of a field office.

FIELD INVESTIGATIVE COMMITMENTS

During the fiscal year 1963, investigative matters received in the overall criminal, civil, and security field totaled 636,371, a continuation of the high volume experienced during the prior year, and it is estimated that this will increase to 665,000 matters during 1965.

As of January 1, 1964, a total of 116,798 investigative matters were pending with 7 percent in a delinquent status. This pending volume represents an average assignment of 22 matters for each special agent as compared with 20 matters 1 year ago. In other words, the caseload has been increased per agent.

COMMUNIST PARTY, U.S.A.

The Communist Party in this country continues its unswerving allegiance to the Soviet Union, which is committed to the goal of world domination and conquest by communism.

Blindly following the Soviet lead in all facets of international developments, it parrots the Soviet contention that there has been a shift toward communism in the balance of forces in the world that makes possible Communist advances without resorting to armed conflict in every area. As a result, the Communist Party, U.S.A. found itself embroiled in the Sino-Soviet dispute as to the means of communizing the world. In a public statement issued in January 1963, the party in this country announced it had sided with the Soviet Union in the dispute and defended the Soviet policy in the Cuban crisis. When the Communist Party of China severely attacked the Communist Party, U.S.A. for its Russian support, the Soviets quickly showed their backing of the Communist Party, U.S.A. The March 17, 1963, issue of Pravda—which is the official publication of the Soviet Communist Party—contained an entire page devoted to a series of tributes designed to show the solidarity of the Soviet Union with the party in this country.

CURRENT PARTY ISSUES

Currently, the Communist Party, U.S.A. is stressing such domestic issues as the racial struggle; the abolition of all internal security programs and of congressional committees investigating communism; and the reduction of military spending with the diversion of such appropriations to a broad program of social welfare projects. In short, the party is attempting to exploit what it describes as the built-in problems of our modern, complex, industrial society and claiming, at the same time, that these problems can be resolved only under the Communist system.

On the international level, the party is dutifully echoing Soviet propaganda regarding peaceful coexistence and peaceful competition, disarmament, an end to nuclear testing and increased East-West trade. In every phase of its propaganda on international relations, the party line has been that all Soviet actions reveal a desire for easing tensions while American foreign policy is designed to incite world tensions.

PARTY FINANCES

Public and private statements by party officials in the past would seem to indicate that the party has been perennially on the verge of bankruptcy. Yet it is a fact that the party has never approached actual bankruptcy and these announcements regarding the alleged precarious financial condition of the party appear to be designed primarily to stimulate increased contributions from its members and to lull the anti-Communist opposition into a false sense of security.

The Communists in this country raise money through a variety of ways to finance many of the day-to-day party operations. Membership dues constitute only a small part of the total needed to cover the yearly expenditures. The party raises the remainder through a multitude of sources, such as fund drives, assessments, donations, and investments.

The party is always alert for domestic developments which it can exploit to add to its operating capital. A typical example occurred in May 1963, when a party official told the members of the party's national board that the racial unrest in this country presented an excellent opportunity to start a fund drive to raise up to $10,000 in order to finance Communist Party activities among Negroes.

The determination of the Soviet Union to maintain the Communist Party, U.S.A. and to strengthen and direct it in such a way as to make it a continuing danger to this Nation is clearly evidenced by the fact that for the past 44 years Soviet Russia has in one way or another directed and controlled the Communist Party, U.S.A. and helped to finance it.

I would like to go off the record, if I may.

Mr. ROONEY. Very well.

(Discussion off the record.)

RECENT PARTY ACTIVITIES

Mr. HOOVER. For its size, the Communist Party, U.S.A. has distributed more literature than any other subversive organization in this country. Through it, the party indoctrinates and guides its members and reaches out in widespread efforts to influence the masses. Woven into all the party's propaganda are basic Communist themes. In one way or another, it stresses the never-ending "class struggle," the necessity for destroying the capitalist system, the claimed overwhelming superiority of communism over all other social orders, and the inevitable triumph of communism in the United States and throughout the world.

I hand to the committee an exhibit which lists the main publications used by the Communist Party, U.S.A. a propaganda media.

Mr. ROONEY. We shall insert this sheet entitled "Main Publications Used by CPUSA as Propaganda Media" at this point in the record.

(The matter referred to follows:)

MAIN PUBLICATIONS USED BY CPUSA AS PROPAGANDA MEDIA

The Communist Party, U.S.A. continues to use as media of propaganda the following publications which have nationwide distribution:

1. The Worker, semiweekly east coast Communist newspaper.
2. People's World, weekly west coast Communist newspaper.
3. Political Affairs, monthly party theoretical organ.
4. Mainstream, monthly Communist cultural organ. (Temporarily suspended from publication in fall 1963; due to be issued again in early 1964.)
5. Freedomways, quarterly Marxist Negro review.
6. Morning Freiheit, a Communist Yiddish daily newspaper.
7. Communist Viewpoint, self-described as a "Publication of the Youth Division, Communist Party, U.S.A."
8. La Nueva Voz (The New Voice), Spanish-language newspaper.
9. Labor Today, a labor trade-union magazine.

Mr. HOOVER. Virtually all of the party's printed propaganda originates in New York City. The party's important book-publishing firm there is International Publishers and the principal pamphlet-publishing company is New Century Publishers. From their presses flow waves of Communist propaganda in the form of new Communist books and pamphlets of all types, as well as reprints of articles from the pens of leading Communists here and abroad.

YOUTH ACTIVITIES

One of the primary recruiting targets of the Communist Party, U.S.A., is the youth of America and the party has continued its intensified program aimed and directed at our youth. The intensity of this program is revealed in a statement made by Gus Hall in March 1963 when he spoke on the party's success in placing its speakers on various college campuses throughout the country. The youth program of the party, he said, is so important that he or any other national leader would go anywhere to meet with young students even if but one student is met. Admitting that the oldtimers are still the backbone of the party, Hall nevertheless concluded that the future depends on the youth.

Subsequently, Hall was optimistic about their possibilities, reasoning that the party would eventually be afforded a fertile field for recruiting youth because millions of young people would be entering the labor market and many would be unable to find employment.

Skillfully imparting the Communist line with espousals paralleling Soviet views, party spokesmen appeared before 45 student groups, mostly at on-campus sites during the calendar year 1963.

That the party is enjoying some success as a result of expanded contacts with college students is indicated in the comment of Daniel Rubin, national youth director of the party, in June 1963 that of the number of young people attracted in its last recruiting drive, 65 percent were students.

Of course, the party's efforts to attract the younger generation are not limited to the appearances of party leaders at college and university campuses. For example, one recruiting method employed by various party districts is to conduct educational classes or study groups in Marxism for students or other young people who have exhibited an interest in politics, economics, and sociology. Participants are not always informed beforehand that the classes are conducted by Communists.

In its continuing efforts to attract the youth of America, the party discussed the youth question at a meeting of top Communist Party functionaries held in New York in October 1963. These leaders agreed there appeared to be no question on the need for starting a new youth organization. Gus Hall felt that the character of such an organization should be as broad as possible and tied to scientific socialism, which means communism. Hall's goal was for the party to have an organization which would express itself in the broadest possible terms so that no large segment of youth would be alienated.

A Communist Party youth conference was held in Chicago, Ill., in the latter part of October 1963, where preliminary work was completed in establishing an organization of a socialist nature primarily aimed at students, working-class youth, and teenagers. The goal of the organization is to direct young people toward an eventual peaceful transition to socialism. A followup meeting of the organization's initiating committee made up of party and nonparty members was held in Chicago in December 1963 where plans were formulated to issue literature calling for a national youth conference in June 1964.

This committee agreed that the appeal to young people should emphasize three current items: peace, civil rights, and employment for youth.

"WHAT YOUNG PEOPLE SHOULD KNOW ABOUT COMMUNISM"

We have many young people who call at the Bureau and make a tour of our facilities. Of the record high 520,816 people who have toured the Bureau during the fiscal year 1963, over half were young people, most of them students at various levels. Other young people write to the Bureau for information regarding communism. So that they may have a better understanding of the menace of communism we have prepared a pamphlet which we make available to them.

I present to the committee a copy of this pamphlet entitled "What Young People Should Know About Communism." This presents a brief and meaningful message regarding the threat of Communists, the extent of communism, and some suggestions as to positive steps which young people and every citizen can take to combat this subversive organization.

It has always been our contention that in order to combat communism, one must know what it is and the steps that can be taken within the limits of our constitutional government to thwart the goals of communism to take over this country either by propaganda or by force.

COMMUNIST INTEREST IN NEGRO ACTIVITIES

Turning to the subject of Communist interest in Negro activities, the approximate 20 million Negroes in the United States today constitute the largest and most important racial target of the Communist Party, U.S.A. The infiltration, exploitation, and control of the Negro population has long been a party goal and is one of its principal goals today.

In this drive, Negroes have, over the years, been subjected to intensive and extensive Communist agitation and propaganda. The Communist Party has always depicted itself to Negroes as the champion of social protest and the leader in the struggle for racial equality.

But the truth of the matter is that the Communist Party is not motivated by any honest desire to better the status or condition of the Negro in this country, but strives only to exploit what are often legitimate Negro complaints and grievances for the advancement of Communist objectives. Controversial or potentially controversial racial issues are deliberately and avidly seized upon by Communists for the fullest possible exploitation. Racial incidents are magnified and dramatized by Communists in an effort to generate racial tensions. As a result, such campaigns are actually utilized as a steppingstone to extend Communist influence among the Negroes.

Communists, through their worldwide Communist propaganda apparatus, transmit propaganda regarding selected instances of racial inequity and injustice to every part of the world. They do not confine themselves to facts but resort to distortion, exaggeration, and the big lie.

Communists thus capitalize on the adverse propaganda effect that reports of discrimination and oppression in the United States can produce in the eyes of the rest of the world, particularly among the African and Asian peoples; that is, the idea that this country is against equal rights for all races.

The Communist Party is attempting to use the Negro movement, as it does everything else, to promote its own interest rather than the welfare of those to whom it directs its agitation and propaganda. It may collect funds ostensibly in behalf of Negro activities, hold discussions on civil rights at all levels, and increase its coverage of Negro affairs in its publications, but behind all of this effort is its clear-cut primary interest in promoting communism.

The party is continually searching for new avenues in order to expand its influence among the Negroes. In particular, it has sought ways and means to exploit the militant forces of the Negro civil rights movement.

The number of Communist Party recruits which may be attracted from the large Negro racial group in this Nation is not the important thing. The old Communist principle still holds: "Communism must be built with non-Communist hands."

We do know that Communist influence does exist in the Negro movement and it is this influence which is vitally important. It can be the means through which large masses are caused to lose perspective on the issues involved and, without realizing it, succumb to the party's propaganda lures.

Mr. Chairman, if I may, I would like to go off the record.

Mr. ROONEY. Very well. Please do so.

(Discussion off the record.)

SECURITY MEASURES AND PARTY STRENGTH

Mr. HOOVER. Disclosures at various Government hearings that trusted Communist Party, U.S.A., members were FBI sources of information have increasingly shocked party leaders and caused them to scrutinize security measures even more closely. They realize that if the party is to exert influence it must hold meetings, continue its propaganda barrage, and promote Communist interest in various ways. Accordingly, they attempt to camouflage meetings by disguising them

as forums, conferences, birthday celebrations, and the like. What few records are kept are in a brief, secretive fashion.

In recent months, however, party leaders have expressed the belief that the party must operate more openly, particularly if it is to receive its due credit for some of its activities. As a result of the decision of the court of appeals in December 1963, reversing the district court case in which the party had been found guilty of failing to register as a Communist-action organization, party leaders have become increasingly more open in their statements and activities. As an example, the party has decided to become more open in its political activities in the next political campaign. The Justice Department has petitioned the circuit court of appeals to rehear this case "en banc" instead of by three judges who originally heard it.

Gus Hall recently told his followers that the overall 1964 tactics of the party must be directed toward Communist Party participation in the electoral field and that the party must not rule out the possibility of Communist write-in candidates for President and Vice President.

They have already requested New York State for information concerning Communists being placed on the ballot. A New York State authority indicated that neither the Communist Party, U.S.A., nor any of its candidates are entitled to a place on the New York State election ballot.

It seemed to Hall to be a serious mistake not to have some Communists running for office. In concluding his exhortation on political activities, Hall stated that while the party's activities encompass overall agitation and propaganda, they must also be directed at a specific, concrete achievement that will help to make a beginning in changing the power structure represented by the present membership of the U.S. Congress.

FRONT GROUPS

The party continues to make heavy use of front groups. This is reflected in the fact that we have approximately 150 known or suspected Communist front or Communist infiltrated organizations under investigation.

Party leader Gus Hall continues to publicly state that the current party membership is about 10,000 with no membership lists being maintained. This does not include those many individuals who dropped open party affiliation to avoid prosecution and the like. Many of these individuals remain convinced Marxists and are working as hard outside the party today to advance the cause of communism as they would if they were still active in the day-to-day activities of the party.

Nor does this include the tens of thousands the party claims as "state of mind" members. Thousands more who supported the party in the past still remain equally dedicated and still are relied upon by the party today to support its current intensified campaign operating through the array of newly created front organizations.

ACTIVITIES UNDER INTERNAL SECURITY ACT OF 1950

I submit to the committee a statement for the record dealing with the Internal Security Act of 1950 and our informant program.

Mr. ROONEY. We shall insert these pages at this point in the record. (The pages follow:)

INTERNAL SECURITY ACT OF 1950

Shortly before I appeared before this committee last year, the Communist Party, U.S.A. had been fined $120,000 after having been found guilty on the charge of failing to register as a Communist-action organization under the provisions of the Internal Security Act of 1950. The party took an appeal to the court of appeals and on December 17, 1963, the court reversed the decision of the district court on the grounds that the fifth amendment privilege against self-incrimination was available to the officers of the party as legal justification for refusing to sign the registration forms. The court further held that the burden of proof rested with the Government to establish that "someone" was willing to sign the registration statements on the party's behalf. The Government on January 21, 1964, petitioned the court of appeals to rehear the matter sitting en banc.

Earlier, Gus Hall, party general secretary, and Benjamin J. Davis, Jr., the party's national secretary, were indicted on charges of failing to register for the party and with failure to file the registration statement. By court order the trials of Hall and Davis have been consolidated and the case has been granted an indefinite continuance.

Since May 31, 1962, to date, the Attorney General has petitioned the Subversive Activities Control Board to order 25 members of the party's national committee and 12 party officers on a lower level to register as party members. Twenty-five have been ordered to register and 20 of these have appealed the orders to the court of appeals. Hearings are pending in the remaining 12 cases.

Over 100 passport cases have been referred to the Department of Justice as constituting possible violations under the passport sanction provision of the act making it unlawful for a party member to apply for, use or attempt to use a U.S. passport. On October 30, 1963, the first criminal prosecution under the passport sanction was initiated against a member of the Communist Party, U.S.A., in San Francisco, Calif. (Zena Druckman) who had applied for a U.S. passport on March 28, 1963. A trial date has not been set pending the final adjudication of the Elizabeth Gurley Flynn-Herbert Eugene Aptheker passport revocation cases.

On December 2, 1963, the U.S. Supreme Court agreed to review the action taken by the Secretary of State in revoking passports held by party leaders Elizabeth Gurley Flynn and Herbert Eugene Aptheker. This will be the first test of the constitutionality of the passport sanction.

Another sanction of the act makes it unlawful for a party member to seek, accept or hold employment in a defense facility, so designated by the Secretary of Defense. On May 21, 1963, Eugene Frank Robel of Seattle, Wash., was indicted under this sanction. He remains free on bond and a trial date has not been set.

There is another sanction in the act which prohibits the interstate or foreign transmission of unlabeled documents or publications of the party. Radio and television programs of the party are to also indicate such affiliation. The Department has not authorized any prosecutions under the labeling provision and no publications have compiled with it, although Political Affairs now characterizes itself as the "theoretical organ of the Communist Party, U.S.A.," and Communist Viewpoint now characterizes itself as a "publication of the Youth Division, Communist Party, U.S.A."

INFORMANT PROGRAMS

Despite the continued and stepped-up security measures of the Communist Party, U.S.A., our coverage of the party continues to improve.

Mr. HOOVER. May I go off the record, Mr. Chairman?

Mr. ROONEY. Very well.

(Discussion off the record.)

TELEPHONE TAPS

Mr. HOOVER. We have at the present time, Mr. Chairman, 64 telephone taps in operation. There has been no change in the policy which restricts their use. They are used only in matters in which the internal security of the country is involved—all of those now in op-

eration are in this category—and in kidnaping and extortion violations where human life is in jeopardy. Further, the FBI itself does not authorize a tap. Each must be authorized in advance and in writing by the Attorney General.

OPTIMISM OF THE PARTY

The leaders of the Communist Party, U.S.A., are optimistic about the future because of such factors, beliefs, and hoped-for events as:

(1) The expansion of communism outside the United States to the point where there are now 40 million Communists controlling one-fourth of the world's territory and one-third of the world's 3 billion people.

This chart shows the magnitude of their influence.

(2) The military and scientific prowess of the Soviet Union.

(3) The belief that Communist appeals are far more suited than our own to the peoples of the underdeveloped nations.

(4) Hoped-for diplomatic reverses to be suffered by this country.

(5) Hoped-for withdrawals of American investments abroad followed by a depression here.

(6) The conviction that any such economic reverses will cause widespread dissatisfaction among our people, particularly our youth, with our way of life and a more sympathetic approach toward a new economic and political structure, Marxist in nature.

MEETING THE THREAT

It is the avowed purpose of the world Communist movement, of which the Communist Party, U.S.A. has always been an integral part, to destroy our free society by violent means if need be and to supplant our constitutional government by a Soviet-styled dictatorship.

To counter Communist reasoning we must have a basic understanding of Communist concepts and practices, plus a thorough understanding and appreciation of our own principles, traditions, and objectives. It is vitally important that we know what we stand for and why. This will, of course, give us the dedication and drive we need to counter the Communist challenge in the battle for the minds of men. To counter Communist actions requires rational, calm, constructive, and creative national and international action of our own directed against the root causes of communism, which include ignorance, poverty, disease, economic dislocation, social injustices, racial discrimination, religious anemia, educational deficiences, and corruption—political, labor, and business.

Espionage and Counterintelligence Operations

The Soviet espionage effort directed against the United States continues unabated. While their targets and objectives continue to be virtually unlimited, they have made determined efforts along some significant lines.

TARGETS AND OBJECTIVES

Penetration of the U.S. Government is one of the main targets. The Soviet bloc countries make widespread efforts along this line and no segment of our Government is beyond their consideration as a penetration target.

The collection of information of military interest is, of course, the basic target in all of their espionage efforts. The efforts here range from the collection of significant maps and charts to any and all information regarding nuclear research and development, location of missile sites, radar detection and warning systems, satellites, and the like.

May I go off the record?

Mr. ROONEY. Very well.

(Discussion off the record.)

Mr. HOOVER. Current evidence indicates that the Soviet bloc intelligence services are placing added emphasis on long-range planning.

It is axiomatic to Soviet bloc attempts to penetrate Government agencies that they strive to establish agent nets in those key Government installations where the most complete and authentic information concerning intelligence is concentrated.

In line with this, it is known that the Soviet intelligence services have assigned primary importance to the development of sources within such agencies as the Department of State, the U.S. Information Agency, the Central Intelligence Agency, and the FBI.

May I go off the record?

Mr. ROONEY. Very well.

(Discussion off the record.)

SOVIET BLOC OFFICIAL PERSONNEL IN THE UNITED STATES

Mr. HOOVER. It is well established that a topheavy percentage of Soviet bloc official personnel assigned to this country actually have intelligence assignments of one type or another. The number of these representatives has steadily increased over the years and the Soviet bloc works diligently to send more and more such representatives to this country. These individuals range from those assigned to their embassies and the United Nations, to numerous other groups, including commercial representatives, exchange groups, and the like.

As of January 1, 1964, there were 744 Soviet bloc official personnel in this country. They were accompanied by 1,099 dependents, some of whom have intelligence assignments.

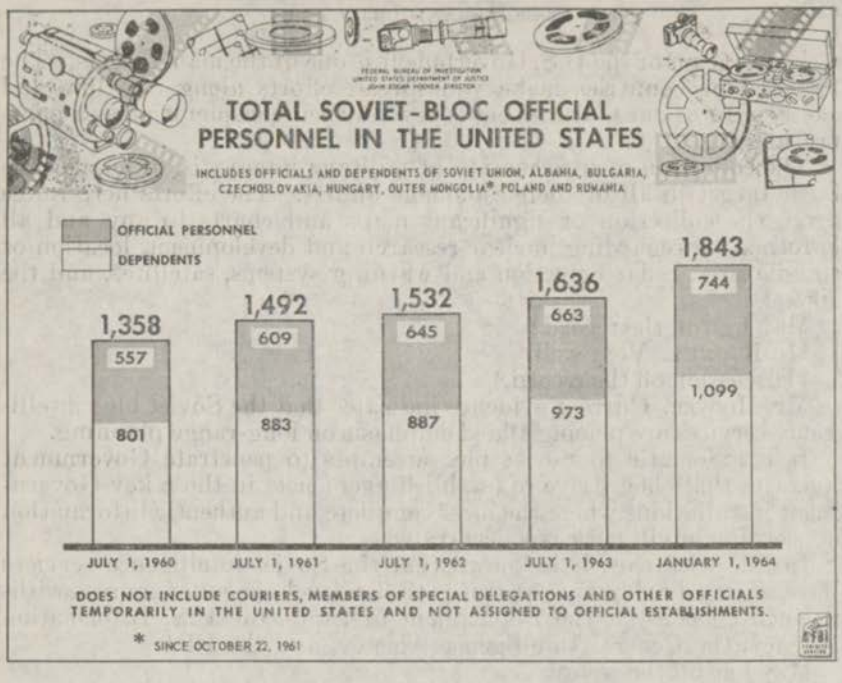
I submit for the record a chart showing the total official personnel of the Soviet bloc in this country.

(The chart referred to appears on p. 314.)

Mr. HOOVER. The next item I would like to discuss off the record.

Mr. ROONEY. Very well.

(Discussion off the record.)



SOVIET BLOC "ILLEGAL" (DEEP COVER) OPERATIONS

A highly important part of the Soviet bloc espionage apparatus operating against the United States centers around its growing use of "illegal" (deep cover) espionage agents. These individuals are well-trained professionals, usually operate under assumed names and cleverly fabricated documents, and are supplied with the latest scientific equipment. To identify them among the vast population of this country requires aggressive programing, extensive investigation, and exacting supervision which we believe we have been able to attain.

SOVIET BLOC RECRUITMENT OPERATIONS

Though seeking the intelligence recruitment of any person having direct or indirect access to information or material of interest, Soviet bloc intelligence personnel have shown particular interest in scientists, Government employees, and students, as well as in emigrees having relatives or property under Communist control.

Soviet-bloc personnel, while preferring an ideological basis for the recruitment of their intelligence sources, have displayed no reluctance in using threats, compromise, and blackmail in carrying out their recruitment operations.

Since the Soviet bloc has long-range espionage plans for use against this country, they have shown considerable patience in recruiting American students and in numerous instances have offered to finance their college education, provided they will seek Government employment after graduation and cooperate with Soviet intelligence.

Their use of blackmail and compromise is revolting. On two separate instances an American college professor and a woman tourist went to Moscow where they were drugged while separately visiting the Soviet Union, photographed while unconscious, participating in acts of sexual perversion, arrested and their cooperation in obtaining intelligence information solicited under threat of prosecution and exposure.

COLLECTION OF UNCLASSIFIED STRATEGIC INTELLIGENCE INFORMATION

Mr. HOOVER. If the chairman will permit, I submit for the record a statement which deals with the collection of unclassified strategic intelligence information and Cuban activities.

Mr. ROONEY. Very well. We shall insert these pages at this point in the record.

(The pages follow:)

COLLECTION OF UNCLASSIFIED STRATEGIC INTELLIGENCE INFORMATION

One of the open activities of the Soviet-bloc official personnel is the collection of a vast amount of unclassified strategic intelligence information, which is of great value to any country desiring to learn everything it can regarding this Nation's defensive and offensive capabilities.

This type of material is easily collected in numerous ways in our country. Large quantities are obtained through direct correspondence with industrial establishments, Government agencies, and the like. Other valuable data are obtained by the simple expedient of subscribing, directly or through intermediaries, to literally hundreds of American newspapers, magazines, and industrial, technical, or military publications. Taking trips about the country, and attending conferences, exhibits, conventions, and the like, are other ready means of collecting highly important intelligence information.

During the calendar year 1962, Soviet officials employed at the offices of the Soviet military, naval, and air attachés alone made 23 automobile reconnaissance trips through various sections of the United States. They covered most of the strategic areas of the country, some several times. They not only closely viewed industrial and military installations, but collected data of intelligence interest, such as maps and photographs of cities. During 1963, they made 36 such trips.

Additional trips were made by officials attached to other Soviet establishments.

The GRU (Soviet Military Intelligence Service) is reported to have divided the United States into geographical areas, each of which is assigned to a GRU officer who is to visit that area frequently to become acquainted with every military establishment and industrial facility.

CUBA

Developments such as the uncovering by the FBI of a sabotage plot engineered by a Cuban official in New York City with the assistance of pro-Castro followers and the continued efforts of the Castro regime to infiltrate intelligence agents into the United States show that we must maintain broad coverage in this area of our operations.

These factors, coupled with the continuing need to develop as much information as possible from sources available in this country concerning economic, political, and military development in Cuba and the necessity of covering the activities of pro-Castro groups and individuals in the United States (including their infiltration of the ranks of thousands of refugees entering this country from Cuba), will continue to demand the heavy assignment of manpower to this phase of our work.

PERMANENT STUDENT COMMITTEE FOR TRAVEL TO CUBA

Mr. HOOVER. I hand to the chairman an exhibit pertaining to the Permanent Student Committee for Travel to Cuba. You will recall this organization organized a group that went to Cuba last summer in

direct violation of the State Department's warning to the contrary. There is a chart attached to the exhibit showing the devious route they took to get into and out of Cuba.

Mr. ROONEY. Very well, we shall insert that exhibit at this point in the record.

(The matter referred to follows:)

PERMANENT STUDENT COMMITTEE FOR TRAVEL TO CUBA

The Permanent Student Committee for Travel to Cuba was created in the fall of 1962 as the Ad Hoc Student Committee for Travel to Cuba by a movement known as Progressive Labor. Progressive Labor is an extremely militant and leftist organization created by Mortimer Scheer and Milton Rosen. These two individuals and many of the members of Progressive Labor have been expelled from the Communist Party, USA, for disruptive activities.

This Ad Hoc Student Committee for Travel to Cuba attempted to organize a trip to Cuba in December 1962, in defiance of the State Department ban on such travel. This trip did not materialize since the Canadian Government refused clearance to a Cuban airplane which was to be used in transporting the students from Canada to Cuba.

Commencing in April 1963, the committee, with its name changed to the Permanent Student Committee for Travel to Cuba, became active in organizing students to participate in a proposed trip to Cuba in June 1963. It openly indicated that it would test the State Department ban on such travel. An indication of its success is the fact that 59 alleged "students" from 11 States departed on this trip to Cuba on June 25, 1963.

The so-called students ranged in age from 18 to 36 years. Although some were actually attending college, others have been out of college for a number of years. Some have recently graduated while some have dropped out of college and at least one is a college professor. This latter individual is Jose Maria Lima-Rivera, who is a professor at the University of Puerto Rico.

There were no known members of the Communist Party, USA, participating in the trip although many of the individuals who did participate are known to possess Marxist-Leninist views and beliefs. A number of the students were admittedly members of Progressive Labor.

These individuals departed New York City in two groups on June 25, 1963. One group traveled via British Overseas Airways Corp. plane to London and thence to Paris, France. The other group traveled via KLM Royal Dutch Airlines to Amsterdam, Holland, and thence to Paris, France. The entire group then traveled to Prague, Czechoslovakia, on a chartered Czechoslovakian airplane. After a stay of several days in Prague, the group flew by Cubana Airlines to Havana, Cuba, by way of Shannon, Ireland, and Gander, Newfoundland, arriving in Havana, June 29, 1963.

While in Cuba, one member, Hector Warren Hill, died in a swimming pool accident. His body was later returned to his family in New York City.

The entire group was scheduled to leave Cuba about July 27, 1963; however, a number of delays occurred. These were explained by the Cuban Government as being due to crowded travel conditions following the July 26 celebration in Cuba and, later, as being due to the actions of the U.S. Government in pressuring other countries into refusing to allow a Cubana plane to land these students on their soil. These latter charges arose out of actions of the Canadian, Mexican, and Jamaican Governments in refusing entry to these students.

On August 24, 1963, 55 of the students departed Havana for Madrid, Spain, via an Iberia Airlines plane. Three of the group were left in Havana, reportedly due to the pregnant condition of two women and the desire of the alleged husband of one of them to remain with his wife. Of the 55 who left Havana, Barry Hoffman left the group in Bermuda and secured permission from the Government of that country to proceed directly to New York City. Hoffman has since testified before the House Committee on Un-American Activities and has been very cooperative with Government agents. The other 54 individuals proceeded to Madrid, Spain. It was not until August 29, 1963, that 50 of these students could secure passage to New York City via Iberia Airlines. The three persons who had remained in Havana returned to the United States by way of Canada on October 6, 1963. Of the four persons who had remained in Madrid, Spain, three returned to the United States during October 1963. The where-

abouts of the one other person is presently unknown and he presumably is still in Spain.

There is enclosed a chart which depicts the travel of these "students" from New York City to Havana, Cuba, and return to New York City in an extremely roundabout fashion in an attempt to evade the existing ban of the United States on travel to Cuba. (See p. 318 for chart.)

An informant on this trip advised that all expenses (including transportation and living expenses while in Cuba) of these "students" were paid for by the Cuban Government through the Cuban Federation of University Students. Each individual had to pay a registration fee of $10 when filing an application to go on the trip with the Permanent Student Committee for Travel to Cuba. Each individual subsequently had to pay $100 to that organization. The total of $110 was the extent of the cost to each of the individuals participating in this trip to Cuba.

On September 12, 1963, the HCUA continued its hearings into the activities of this organization and the trip to Cuba which it had begun in May 1963. Barry Hoffman, referred to above, was a very cooperative witness. Information was received that individuals from New York City traveled to Washington, D.C., for the express purpose of affording "support" to the persons under investigation by the HCUA and to create disturbances in the audience to provoke their evictions from the hearing room. These hearings precipitated many outbursts and demonstrations by the spectators which necessitated police action in removing the demonstrators. These removals, in turn, precipitated sit-in demonstrations and street rallies and the usual allegations of police brutality.

On September 27, 1963, a Federal grand jury at New York City returned an indictment against Lee Levi Laub, Phillip Abbott Luce, Stefan Martinot, and Anatol Schlosser, charging them with conspiracy to violate section 1185(b), title 8, United States Code, as supplemented by a State Department regulation which prohibited travel by American citizens to Cuba without a properly validated passport.

In addition, Laub, Luce, and Martinot were charged in specific counts for departing from the United States and reentering the United States without a properly validated passport. (Schlosser did not participate in the trip to Cuba but was an individual who was actively engaged in making arrangements and recruiting others for the trip.)

DISSEMINATION OF INFORMATION

Mr. HOOVER. Each day the FBI furnishes to other governmental agencies, domestic and foreign, invaluable positive intelligence information for their use in determining policy and taking such action as will contribute to national security. I hand to the committee a chart showing the action taken by other Government agencies on our information.

(Discussion off the record.)

CONCLUSION

Mr. HOOVER. The Soviet bloc espionage drive against this Nation is backed by a virtual army of intelligence personnel and unlimited operational funds. A former officer of the KGB (Soviet Committee of State Security) estimated that the foreign intelligence directorate of the KGB had several thousand employees, including legal and illegal agents and trainees. He said that the head of the foreign intelligence directorate had indicated that "Soviet intelligence" (apparently referring only to the foreign intelligence directorate) spent about $1½ billion a year.

The FBI is utilizing every resource at its command to meet the threat posed by this army of spies. Because of our aggressive investigative activity, the Soviet intelligence services consider the United States as the most difficult country in which to carry on clandestine espionage operations.


FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE
JOHN EDGAR HOOVER, DIRECTOR
ILLEGAL TRAVEL OF U. S. STUDENTS
TO CUBA AND RETURN
GANDER
SHANNON
LONDON
AMSTERDAM
PARIS
PRAGUE
NEW YORK
MADRID
BERMUDA
HAVANA
GOING
BOAC
KLM
CZECH AIRLINE
CUBANA AIRLINES
RETURNING
IBERIA AIRLINES

Mr. HOOVER. Now, if I may go off the record to refer to a secret document.

Mr. ROONEY. Very well.

(Discussion off the record.)

CRIMINAL AND CIVIL INVESTIGATIVE OPERATIONS

Mr. HOOVER. Passing to the major criminal and civil investigative operations, our work in the overall criminal and civil category has been steadily growing with new peaks being reached in several classifications. All indications are that this type of work, which more and more often is requiring the assignment of a large number of special agents to single major investigations, will continue to mount throughout the fiscal year 1965.

ORGANIZED CRIME AND RACKETEERING

Our determined drive against organized crime and racketeering continues unabated. This endeavor requires a very heavy assignment of manpower and involves the constant handling of thousands of investigations in order that we may develop a complete and penetrative picture of racketeers and hoodlums engaged in the various aspects of organized crime throughout the country. We presently have some 5,000 investigations pending in this overall field as compared with approximately 3,000 in January 1963.

Through this widespread investigative effort we uncover violations within the jurisdiction of the FBI. At the same time, we uncover a large amount of information which concerns matters within the jurisdiction of local, State, and other Federal agencies. A total of 137,741 items of criminal information were promptly disseminated to the appropriate agencies during the fiscal year 1963. This is of material assistance to them.

Through this cooperative law enforcement effort we have, for example, provided information in the form of affidavits to local law enforcement authorities in many of the major cities of the country, which has enabled local authorities in these cities to effect local prosecution of underworld representatives. In conjunction with this, our special agents are made available for purposes of testifying in local court to assist these local agencies in their prosecutive effort. Our objective, of course, is to lend every assistance to suppress the growth of organized crime.

As a result of our investigations conducted against organized crime since 1961, substantial information on this element has been developed. During this time our investigations have brought about prosecutions or have contributed to the prosecutions in Federal, State, or local courts of more than 2,000 hoodlums who, for the most part, have been active in various phases of organized crime.

At the same time, through our intensive investigations and with the assistance of the Federal anticrime legislation enacted in 1961, we have made important strides in penetrating and developing signif-

icant information concerning the organized criminal and racketeering empires operating in this country.

I hand to the committee as an exhibit a memorandum on La Cosa Nostra, which is the top criminal organization of the country. You may want to put it in the record. It is not a confidential memorandum but it shows the progress we have made in penetrating that particular organization.

Mr. ROONEY. There is nothing new about that; is there?

Mr. HOOVER. Except as to some of the statistics, no.

Mr. ROONEY. There is very little of that you have not known for years?

Mr. HOOVER. That is correct.

(Discussion off the record.)

Mr. HOOVER. These criminal groups go to great lengths to avoid activities that would involve Federal violations, but our painstaking investigations are far reaching and often uncover activities which may have no connection with organized crime. Lawrence Gallo, one of the leaders of the Gallo faction of the New York City underworld, was found to have submitted false statements concerning employment and income to the Veterans Administration in order to secure a home loan. He pleaded guilty on June 13, 1963, and 2 months later (on August 22, 1963) was sentenced to 18 months in prison, the last 14 months of which were reduced to probation, notwithstanding Mr. Gallo's extensive record.

The three organized-crime laws pertaining to wagering paraphernalia, to wagering information, and to the travel or transportation in aid of racketeering, which were enacted in the fall of 1961, have been of substantial assistance in our drive to smash this element of the underworld. To date under the provisions of these statutes, we have arrested 169 individuals. Of these 169 persons, 157 have been indicted and 81 convicted.

A vast amount of work accrues to us as a result of these items of new legislation. This is reflected in the 12,824 new cases which had been opened as of January 1, 1964, under just these three statutes.

The arrest of 11 notorious members of the organized criminal element in the New York-New Jersey-Philadelphia area during the latter part of 1963, was made possible by the new legislation. They were charged with conspiring to violate the interstate transportation in aid of racketeering statute for activities in a usurious loan extortion operation which had interstate ramifications.

BANK ROBBERY

The senseless criminal onslaught against this Nation's banking institutions reached a new high during fiscal year 1963 when 1,371 violations of the Federal bank robbery statute were reported. This is a sharp jump of 297 offenses over the prior year and included 776 robberies, 389 burglaries, and 206 larcenies.

I hand to the committee a chart which shows the mounting volume of these violations of the Federal bank robbery statute over the last 3 years.

The lust for quick money—an obsession closely allied with moral decadence—is a motivating factor in the alarming rise in bank robbery, one of the Nation's most violent crimes. More and more violations are being perpetrated by individuals with no previous criminal records. Obviously, these persons, for one reason or another, are obsessed with the desire to obtain large sums of money quickly, but their irrational deeds are virtually doomed to failure. Those who manage to escape from the scene seldom remain at large long enough to enjoy the fruits of their crime.

There are, of course, other contributing factors to the growing number of bank robberies. For one thing, the rapid growth of suburban areas has greatly increased the number of branch banks which are more vulnerable to robbery.

We made a survey of the 152 bank robberies reported during November and December 1962. A lone robber was involved in 111 of them. In 88 percent of the cases, loot was obtained which averaged about $6,000, but over one-half of this was recovered reducing the amount stolen per robbery to about $2,900.

Within 2 months of the period covered in the survey, a total of 110 of the 194 bandits involved in the 152 robberies had been arrested. In 39 cases, solution of the crime was effected the same day. Twelve cases were solved within a week, and 24 others were solved within 1 month.

The relentless drive by all law enforcement to identify and arrest these robbers, coupled with realistic action by the courts in dealing with those guilty of this vicious crime, should make it unmistakably clear to all would-be bank robbers that identification, arrest, and punishment will be the only real conclusion to their senseless, vicious criminal acts.

INTERSTATE TRANSPORTATION OF STOLEN AUTOMOBILES

A record high total of 19,192 stolen automobiles, which had been moved interstate, were recovered in FBI cases during fiscal year 1963. This is a reflection of the steadily increasing number of auto theft violations throughout the country.

During the 10-year period of 1953 to 1962, auto thefts increased almost four times faster than the population growth. Automobile registrations climbed 42 percent during this same period while the percentage increase in autos stolen was 63 percent. Another factor is that the population group under 18 years of age, a small segment of which contributes a disproportionate share to the total auto theft problem, increased 42 percent during these 10 years.

With the increasing volume of crime, the increasing population, and the growing number of autos throughout the country, we can expect that the number of violations growing out of the interstate transportation of a portion of these stolen vehicles will continue to mount.

KIDNAPING

During fiscal year 1963 there were 22 convictions under the Federal kidnaping statute resulting in two life sentences and additional sentences totaling 310 years. Since the passage of the Federal kidnaping statute in 1932, there have been 681 major kidnaping cases investigated and all but 3 have been solved.

The most recent was the Frank Sinatra, Jr., kidnaping, which occurred on Sunday night, December 8, 1963, and was solved by Friday night of the same week. All but less than $1,000 of the $240,000 ransom paid was recovered or accounted for, the suspects were apprehended, and the victim returned safely.

FUGITIVE FELON ACT

The 2,514 unlawful flight fugitives located under the Fugitive Felon Act during fiscal year 1963 established a new record. It represented a substantial jump of 636, or 34 percent, over the number of such fugitives located during the prior year.

I present to the committee a chart showing graphically the rapid rise in this activity over the past 3 years.

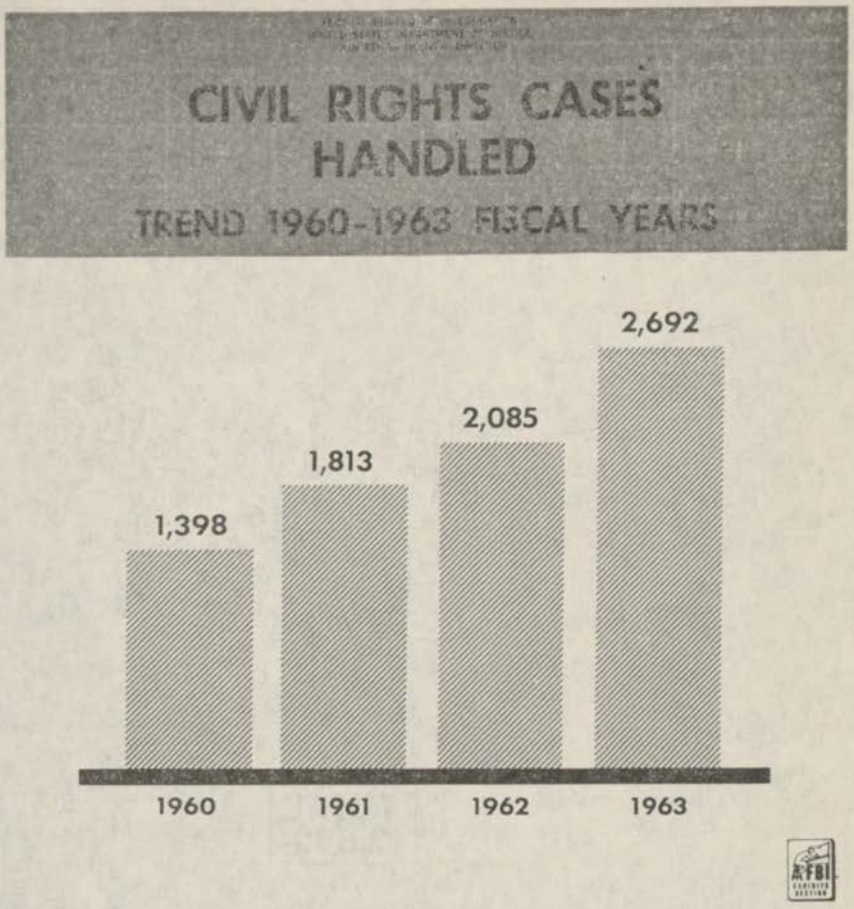
CIVIL RIGHTS

There has been a large increase in the number of cases received alleging civil rights violations, a total of 2,692 such cases having been received during the fiscal year 1963. This is an increase of 607, or 29 percent, when compared with the 2,085 cases received during the prior year.

The charts which I hand to the committee give a quick picture of the extent of our work in this area. The first one shows the upward trend of the number of cases handled in the 1960–63 fiscal years. The next one gives a geographical breakdown of the 2,692 cases handled during 1963 by States. The third exhibit shows our work and jurisdiction in this area of our operations. You may want to make it a part of the record.

Mr. ROONEY. We shall at this point insert these three exhibits.

(The exhibits follow:)



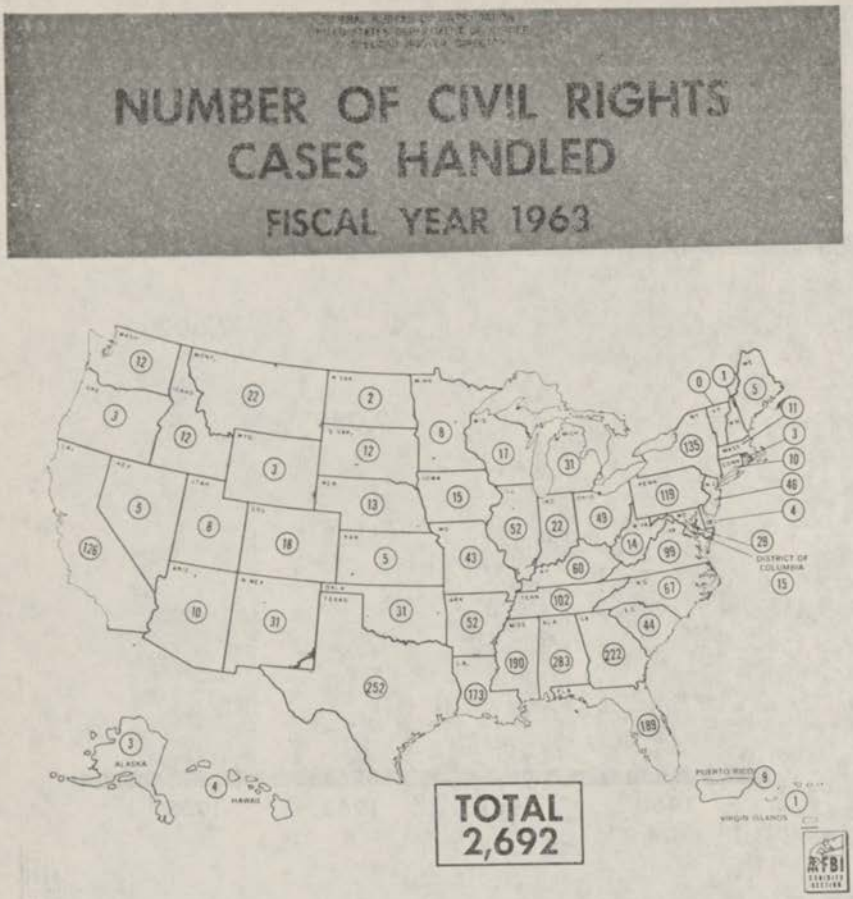
JURISDICTION AND WORK IN THE CIVIL RIGHTS FIELD

Our jurisdiction in this vital area is defined in acts of Congress. Our duties are strictly investigative. We are not a national police force; under the law we can only investigate matters indicating that a Federal law within our jurisdiction has been violated.

The FBI handles civil rights cases and all other matters in its jurisdiction without apology to anyone. When complaints are received alleging police brutality, an investigation is immediately launched which includes interviews with the victim, the officers involved, and any available witnesses, as well as a review of appropriate records, such as arrest ledgers, hospital forms, and the like. The full results of the investigation are furnished to the Civil Rights Division of the Department of Justice.

Civil rights allegations which involve matters other than police brutality are also promptly processed. Pursuant to the request of the Department of Justice, certain specified types of these allegations are immediately referred to the Civil Rights Division—prior to investigation—for its review and decision as to action. In order to assist the Civil Rights Division in appraising each alleged violation, the FBI obtains a full and detailed account of the complaint—in writing, whenever possible.

Among the prohibitions of the Civil Rights Act of 1960 is the interstate transportation of explosives with the knowledge or intent that such will be used to damage or destroy property for the purpose of interfering with its use for educational, religious, residential, business, charitable, or civic objectives. There is a presumptive clause in the legislation that interstate transportation has taken



place when an explosive is used in the manner proscribed; however, the Civil Rights Division of the Department of Justice has expressed its view that this does not relieve local and State authorities of their primary responsibility to investigate such crimes. Unless there is an interstate movement of the explosives with intent, there is no Federal violation.

Along this same line, we do not have the authority to provide protection for victims in civil rights cases. The protection of the life and property of individuals who feel they may be the subject of some action which would be a violation of this type is a matter for the local authorities.

We bring all known bombings, and related outrages, to the attention of the Department. The Bureau has made full investigations in every instance where the Department has so authorized.

Even when we do not have the authority to make an active investigation, we cooperate with the local authorities by making available the facilities of the FBI Laboratory and Identification Divisions, and offer to cover out-of-State leads.

Many people do not understand our limited jurisdiction. There have been reports implying the FBI has investigated some 50 bombings in the Birmingham, Ala.. area. Actually, we have been authorized by the Department to investigate but six of them.

Although our jurisdiction is limited to violations defined in legislation enacted by Congress, there are still those who feel that we should be obligated to step in wherever, in their opinion, a breakdown of law enforcement has occurred.

We have conscientiously carried out our responsibilities in the area of civil rights and I have always insisted that every civil rights complaint be given thorough, prompt, and impartial attention.

To insure the proper handling of these matters, we have given special training to our special agents who handle them. In this regard, we act solely as a fact-gathering and fact-reporting agency. We do not express opinions as to the guilt or innocence nor do we make prosecutive recommendations.

The results of every investigation are referred to the Civil Rights Division of the Department of Justice. It is here that a determination is made on each alleged violation as to whether further action is warranted.

Our investigations have led to the prosecution of many matters in the civil rights field. For example, the investigation growing out of the murder of Medgar Evers, field secretary, National Association for the Advancement of Colored People, who was shot and killed at Jackson, Miss., on June 12, 1963, extended to 48 of our 55 field divisions. As a result of our investigation, a rifle, as well as the telescopic sight on the rifle, which was found in the vicinity of Evers' home was traced to Byron de la Beckwith. Further, the FBI's Identification Division identified a latent fingerprint found on the telescopic sight as being identical with the right index fingerprint of Beckwith.

Beckwith was taken into custody by the FBI on June 22, 1963, on the basis of a warrant charging a violation of a Federal civil rights statute. Since the local charge of murder was more serious than any possible Federal violation, the Federal Government turned Beckwith over to the local authorities and he is now on trial on the murder charge.

In Connecticut, an allegation was received that a family from Mexico was held in a condition of involuntary servitude on a farm in that area. As a result of our investigation, the farmer was found guilty in Federal court on March 13, 1963, of involuntary servitude and slavery violations. He received a jail sentence and a probationary sentence, as well as a fine. An appeal is pending.

In Indiana, two local police officers were reported to have abused a prisoner. Following investigation by the FBI, the two were found guilty in Federal court on November 1, 1962, under the statute prohibiting activities under the color of law which interfere with the rights of any individual. Each of them received a suspended sentence, probation for 5 years, and a fine.

A Negro man alleged he had observed police officers bomb the home of Rev. A. D. W. King in Ensley, Ala., on May 11, 1963. After extensive investigation, this individual advised that he was lying; that his story was just something he had made up. On August 28, 1963, a Federal grand jury, Birmingham, Ala., returned an indictment against him on charges growing out of his false statement, and on November 18, 1963, after pleading guilty, he was sentenced to the custody of the Attorney General for 90 days for psychiatric and clinical examination. The results of such examinations will be furnished to the court and after duly considering them the court will impose sentence.

The I Hope Baptist Church, Terrell County, Ga., was destroyed by fire on September 17, 1962. Based on indications that the purpose of the act was to discourage Negroes from voting, we began an immediate investigation. The perpetrators were arrested by FBI agents within a few hours after the burning, but since our investigation did not establish a Federal violation, the four individuals involved were turned over to the Terrell County authorities. Subsequently, three of them received a 7-year sentence and the juvenile member of the group received a 3-year probationary sentence.

Extensive work has also been carried on under the Civil Rights Act of 1960, regarding discrimination in voting matters. For example, in Bullock County, Ala., we made an investigation into voter registration procedures at the instruction of the Department of Justice. On September 13, 1961, a Federal court order was issued to regulate registration procedures and eliminate discrimination. As a result, more than 1,200 Negroes have registered thus far.

Although there has been an increase in the number of indictments and convictions for civil rights violations over the past 3 years, this is not an index of our effectiveness or achievements in this field.

In many instances, the facts gathered during our investigation do not substantiate the complaint which was received. In others, a lack of witnesses, as well as the reluctance of some citizens to cooperate in the investigation, is a factor. Additionally, juries often reflect the customs and mood of the community and, at times, even the judge has exhibited an attitude of hostility toward the Government in civil rights matters.

For example, there is the case involving the forcible removal of Mack Charles Parker from a local jail at Poplarville, Miss., and his subsequent death. Our investigation established the identity of several persons involved and one confession was obtained from a man who participated in removing the victim from the jail. In spite of this, neither the local nor the Federal grand jury returned indictments.

As another example, the Shady Grove Baptist Church near Leesburg, Ga., was destroyed by fire on August 15, 1962. The church had been used for voter registration meetings. An 18-year-old youth admitted the burning and named another individual as the original instigator. Neither the Federal nor the State grand jury returned an indictment.

It is known throughout all law enforcement circles that alleged civil rights violations are investigated by the FBI. Many allegations have been referred to the Bureau by enlightened police officials who realize that the most effective method of resolving complaints against their departments is to have the true facts developed through impartial investigation by the FBI. Last summer I received a letter from one such law enforcement official in the South, who wrote:

"I have never known an agent * * * who was not devoted to law enforcement. I have no criticism whatsoever of the FBI's role in the field of civil rights. I fully realize that investigation is necessary in this field. I personally would prefer investigation by the FBI to that of some other organization. I have observed that FBI investigations are impartial and, more often than not, exonerate the officer accused, thus removing a cloud from his reputation and professional standing. It is my opinion that all any dedicated officer could want is an impartial investigation. I would suspect that those who complain the loudest are those that have been guilty of infractions and have something to fear."

Our work in the civil rights field includes far more than unbiased, prompt, objective, and thorough investigations. We took the initiative years ago in providing civil rights training to law enforcement agencies in all parts of the Nation. Hundreds of special civil rights schools were conducted during the mid-1950's at the specific request of police officials. These dealt with the Constitution; the Bill of Rights; rulings pertaining to arrests, searches, and seizures; and other matters having a direct bearing on the civil rights field.

Along the same line, since January 1957, FBI instructors have lectured on the topic of civil rights at over 1,200 police training schools throughout the country which were attended by over 51,000 police officers.

In addition, over the years our fingerprint identification and scientific laboratory facilities have been at the disposal of the police departments at all levels, aiding them in establishing the innocence of the falsely accused as well as in identifying the guilty.

All of these items serve to illustrate the longstanding efforts of the FBI to devote its resources and facilities to the preservation of those rights guaranteed by the Constitution and the laws of the United States.

Assassination of President Kennedy

Mr. Hoover. President John F. Kennedy was assassinated at approximately 12:30 p.m. on November 22, 1963, in Dallas, Tex., by a sniper firing a high-powered foreign rifle from concealment in a sixth-story window of the Texas School Book Depository Building which bordered the parade route. Within hours, the Dallas Police Department had the suspected assassin, Lee Harvey Oswald, in custody. On November 24, 1963, while being transferred from the Dallas city jail to the Dallas county jail, Oswald was shot and mortally wounded in the basement of the Dallas city jail by Jack Ruby. Oswald died a short time later in Parkland Memorial Hospital where President Kennedy had expired 2 days earlier.

Immediately after the assassination on November 22, 1963, President Lyndon B. Johnson ordered the FBI to make a full inquiry into the assassination of President Kennedy. On November 24, 1963, President Johnson—as well as the Department of Justice—instructed the FBI to conduct an investigation into the shooting of Oswald. The Department specifically requested that we endeavor to determine if

there was any conspiracy to deprive Oswald of his civil rights. Subsequently, on November 29, 1963, President Johnson named a seven-man Commission to objectively look into all aspects of the assassination of President Kennedy as developed by all governmental agencies. On December 13, 1963, Public Law 88-202, a joint resolution, was introduced in Congress authorizing the above Commission to compel the attendance and testimony of witnesses and the production of evidence.

I submit to the committee an exhibit in color, depicting the area of the assassination, the location of buildings, and other aspects. It has been made available to the Presidential Commission.

On December 9, 1963, the FBI submitted its first reports consisting of two volumes with three volumes of exhibits to the President's Commission summarizing FBI investigation. On January 13, 1964, supplemental reports summarizing additional investigation were furnished to the Commission by the FBI.

As of this time, more than 250 investigative reports containing more than 10,800 pages, constituting the FBI's investigation, have been furnished to the President's Commission. Over 796 items of physical evidence were received in the FBI Laboratory for technical examination, and our exhibit experts have constructed and delivered to the Commission a detailed scale model of the assassination area including appropriate buildings, landmarks, and the like, with accompanying volume of visual aids to assist the Commission in handling its responsibilities.

That concludes my statement, Mr. Chairman.

GUN LAWS

Mr. ROONEY. Mr. Director, there has been a great deal of discussion and consideration of some gun laws, one of which would have to do with the purchase by mail order of firearms. It has also been proposed that we have a national law requiring the registration of all firearms.

I wonder if you would care to give the committee the benefit of your views on these proposals?

Mr. HOOVER. I will be glad to. It has caused us much concern.

There have been many bills introduced on this subject, one having been introduced by Senator Thomas J. Dodd. That bill has many excellent provisions in it. However, it does not and would not cover a particular type of rifle such as the one which came into this country from Italy and was later used to kill President Kennedy. This situation has been brought to the attention of the committee considering the Dodd bill.

It is interesting to note that in the calendar year 1962 there were 8,400 willful killings in this country. Of these, 54 percent were committed with the use of a firearm. About 70 percent of these killings with a firearm were committed with handguns, such as revolvers.

In the period 1960-62, 113 law enforcement officers in this country were killed as a result of criminal action, and 109 were murdered with guns, the majority of which were handguns.

I have felt for many years there should be some statute enacted by Congress, with some steps taken to have the enactment of State laws to supplement it and buttress it, that would restrict the obtaining

of guns without some type of ownership registration. In all too many places in this country, one can buy a gun without giving one's name. Some places have rather tight laws, but most do not.

There is always a lobby against the enactment of such a law because it is argued that under the Constitution one is allowed to keep and bear arms. I do not think that is a valid argument against registration. We are living in an age where guns are being used in murders, robberies, and many other vicious crimes.

Mr. ROONEY. I understand that in Dallas, Tex., they have no gun laws?

Mr. HOOVER. That is correct but there are some State firearms control laws.

Mr. ROONEY. I also understand that the rate of killings with guns is twice as high in Dallas comparatively than it is in New York City.

Mr. HOOVER. That is correct when one considers the proportion of murder that is committed in each city by the use of a gun. In 1962, New York City reported 507 willful killings, 28 percent of which resulted from the use of a gun. Dallas reported 103 murders, 67 percent of which resulted from the use of a gun.

The percentage of murder in Dallas during 1963 by use of a gun was 72 percent. In New York City during the same period a gun was utilized in 25 percent of the willful killings.

New York State has rather strict laws concerning firearms, but even those require strengthening. There have been recommendations to strengthen them in the State legislature.

I feel this way about legislation: these matters should be corrected by a uniform statute enacted at State levels and supported by various civic organizations. That, of course, is a difficult thing to accomplish.

ENFORCEMENT OF NARCOTICS LAWS

Mr. ROONEY. There is a proposal, as you undoubtedly know, to turn over to the Department of Justice the enforcement of the narcotics laws. Would you care to comment on that?

Mr. HOOVER. Yes. In the first place, I think this should be carefully studied for it is a highly specialized field and raises many complex questions. For instance, under treaties made between this and other foreign countries there have been various provisions made dealing with the control of narcotics directly involving the Federal Bureau of Narcotics. It is likely that all of these treaties would have to be renegotiated and ratified by the Senate. In addition, there is also the question of whether effective narcotics enforcement is weakened if it is separated from the function of legal narcotics control.

I personally feel the Narcotics Bureau has done a very good job under very great difficulties. It requires a large number of personnel.

There is no question the FBI could technically handle it if it were transferred to the FBI. But I am against, and have been for many years, the growth of the FBI. I think we are entirely too big today, bigger than we should be. I would have liked to see the FBI remain

small; but that has been impossible because Congress has yearly enacted legislation expanding the investigative jurisdiction of the Bureau.

(Discussion off the record.)

CASELOAD PER AGENT

Mr. ROONEY. Let us return to the record with this final question: What is the average caseload per agent at present? And how does that compare with a year ago?

Mr. HOOVER. The present average caseload is 22 and a year ago it was 20; two more cases per agent at this time.

Mr. ROONEY. Mr. Smith?

Mr. SMITH. Mr. Director, would you want to tell us what connection Ruby had with Cuban nationals and with the underworld, if any?

Mr. HOOVER. I would rather answer that off the record, if I may.

Mr. SMITH. I understand.

(Discussion off the record.)

Mr. SMITH. That is all.

Mr. ROONEY. Mr. Lipscomb?

EXTENSION OF EAST-WEST TRADE BY COMMUNIST PARTY

Mr. LIPSCOMB. Mr. Director, during your excellent discussion you mentioned that the Communist Party had a goal of the extension of East-West trade. Was that the Communist Party, U.S.A.?

Mr. HOOVER. Yes. They have supported the overall goal that Russia has advocated for East-West trade. In other words, this is the international Communist line.

Mr. LIPSCOMB. Have you ever set forth the reasons, at least in your mind, why they are pushing so hard on extension of East-West trade?

Mr. HOOVER. I think there are several reasons that could be given for it. For example, the economic reason. Most of the Communist countries of the world have a propaganda program proclaiming their alleged advances in technology and in all other areas. For example, they claim their production of food for the next year will exceed the past year. Something usually happens and the production does not meet expectations. These Communist countries therefore want East-West trade where there is a market in which they can make purchases of needed goods.

From an intelligence standpoint, there is no question but that the Soviet bloc have in mind the use of trade delegations and even exchange student groups for intelligence purposes. There is always at least one intelligence officer with trade delegations and we have found exchange students being used for intelligence work.

Mr. LIPSCOMB. The Communists would not push East-West trade extension unless it was to their benefit?

Mr. HOOVER. That is absolutely true. They never agree to anything unless it is to their benefit and the odds are all in their favor. Very seldom are they in favor of anything advanced by the free government nations.

Mr. LIPSCOMB. I have heard of a rather new operation that has to do with parcels being sent to the Communist bloc where individuals buy a gift certificate or purchase a certain kind of parcel and have it sent behind the iron curtain. I believe I have heard the proprietor of the parcel operation in the United States is licensed by a Soviet trading company of some sort and that Soviet trading company gets a portion of the funds for these parcels.

Mr. HOOVER. Yes?

Mr. LIPSCOMB. It is possible that the funds this Soviet trading company gains in dollars could be funneled back into Communist activities in the United States?

Mr. HOOVER. Most certainly; of course, everything in Russia is controlled by the state.

(Discussion off the record.)

Mr. LIPSCOMB. This Communist parcel operation is one where they deal in dollars and the dollars never leave the United States. This is a convenient scheme.

Mr. HOOVER. Extremely so.

Mr. LIPSCOMB. May I ask a question off the record?

Mr. ROONEY. Surely.

(Discussion off the record.)

Mr. LIPSCOMB. Mr. Chairman, I have two more questions.

CONTACT WITH COLLEGE CAMPUSES BY COMMUNIST PARTY

Mr. Director, in regard to the concern with Communists speaking on campuses, is it possible to tell us how many campuses were visited and when?

Mr. HOOVER. I think I stated in my testimony there were 45 appearances on college campuses.

Mr. LIPSCOMB. How many campuses were visited, do you know? Could you give us a list of the campuses and when?

Mr. HOOVER. I have no objection to preparing such a list.

Mr. ROONEY. That would be a matter of public record.

Mr. HOOVER. Certainly; I will prepare that.

(The information follows:)

SPEAKING ENGAGEMENTS ON COLLEGE CAMPUSES BY COMMUNIST PARTY LEADERS IN 1963

The Communists have attempted to infiltrate every segment of American society and have grown increasingly ambitious in their designs upon youth. Among the specific programs they have implemented is an intensive speech campaign which has seen party functionaries appear at colleges and universities from Maine to California. This program has been spearheaded by the party's lecture and information bureau, which operates out of Communist Party headquarters in New York City.

During 1963 top party leaders made 45 appearances before college groups. Set forth below is information concerning these appearances with the identity of the school, the party speaker, and the date of his or her appearance.

School	Speaker	Date
Muskingum College (debate)	Arnold Johnson	Jan. 9, 1963
Michigan State University	Herbert Aptheker	Jan. 17, 1963
Wayne State University	Carl Winter	Do.
Brandeis University	Herbert Aptheker	Feb. 5, 1963
University of Virginia	Gus Hall	Feb. 8, 1963
Yale University	do	Feb. 13, 1963
Brown University	Benjamin J. Davis	Do.
University of California	Herbert Aptheker	Feb. 20, 1963
San Francisco State College	do	Feb. 21, 1963
Brandeis University	Gus Hall	Mar. 11, 1963
University of Michigan	Herbert Aptheker	Mar. 12, 1963
Roosevelt University	do	Mar. 13, 1963
Howard University	do	Mar. 20, 1963
City College of New York	do	Mar. 21, 1963
University of Wisconsin	do	Mar. 27, 1963
University of Chicago	do	Mar. 28, 1963
Rhode Island University	Hyman Lumer	Apr. 3, 1963
Colorado State College	Mortimer Daniel Rubin	Apr. 8, 1963
University of Connecticut	Arnold Johnson	Apr. 23, 1963
University of Massachusetts	do	Apr. 24, 1963
Oberlin College	Benjamin J. Davis	May 6, 1963
Yale University	Herbert Aptheker	Do.
Ohio Wesleyan University	Carl Winter	May 7, 1963
University of Connecticut	James E. Jackson	May 8, 1963
Western State College	Mortimer Daniel Rubin	May 9, 1963
Macalester College	Hyman Lumer	Do.
University of Michigan	Carl Winter	May 16, 1963
Cornell University	Marvin Markman	Do.
Bard College	Herbert Aptheker	June 12, 1963
University of California (at Berkeley)	Albert J. Lima	July 22, 1963
Marin Junior College	do	Oct. 8, 1963
Muhlenberg College	Hyman Lumer	Oct. 10, 1963
Harvard University	do	Oct. 15, 1963
California Institute of Technology	Dorothy Healey	Oct. 16, 1963
University of California (at Los Angeles)	do	Oct. 18, 1963
University of the Pacific	Albert J. Lima Herbert Aptheker	Oct. 28, 1963
San Jose State College	Herbert Aptheker	Oct. 29, 1963
University of California (at Berkeley)	do	Oct. 30, 1963
Oakland City College	do	Do.
University of Oregon	do	Do.
City College of New York	Benjamin J. Davis	Oct. 31, 1963
Do	Herbert Aptheker	Nov. 12, 1963
Bethany College	Arnold Johnson	Nov. 15, 1963
University of California (Riverside campus)	Dorothy Healey	Nov. 18, 1963
Yale University	Herbert Aptheker	Dec. 11, 1963

CASES RESULTING FROM NEW LEGISLATION

Mr. LIPSCOMB. Mr. Director, on the exhibit entitled "Volume of New Cases Opened as a Result of New Legislation" these are recent laws that have been passed?

Mr. HOOVER. Yes, sir.

Mr. LIPSCOMB. These put responsibilities on the Federal Bureau of Investigation?

Mr. HOOVER. That is correct. All were enacted within the last 3 years.

Mr. LIPSCOMB. What types of new violations, for instance, would be concerned with the Peace Corps Act?

Mr. HOOVER. This refers to new work accruing to the FBI as the result of Public Law 87–293, approved September 22, 1961, which provided for the Peace Corps, a new program. This act provides that if the agency making the investigation of personnel of the Peace Corps develops data reflecting that the person being investigated is of questionable loyalty or is a questionable security risk, the investigating agency shall refer the matter to the FBI for a full field investigation. As indicated by the tabulation presented, we have received thus far as of January 1, 1964, a total of 290 cases for handling as a result of this piece of new legislation.

Mr. LIPSCOMB. The Disarmament and Arms Control Act shows 41 new violations.

Mr. HOOVER. Public Law 87-297, approved September 26, 1961, established a U.S. Arms Control and Disarmament Agency, a new agency. Under the provisions of this act, the Civil Service Commission—CSC—conducts the applicant investigations regarding personnel of the new agency, but in the event CSC determines the person investigated may be or may become a security risk, or may be of doubtful loyalty, the matter is turned over to the FBI for a full field investigation. Thus far, as of January 1, 1964, a total of 41 cases have been referred to us as a result of this new legislation.

Mr. LIPSCOMB. There are others that are more obvious types of violations.

Mr. Director, it has been a privilege hearing your testimony, as it always is, and I want to commend you for the dedicated work you and your associates are doing in informing the American people of the dangers of communism and educating them in what to watch out for.

NEED FOR INFORMING BUSINESSMEN OF DANGERS OF TRADING WITH SOVIETS

I only recently had the opportunity to read an article you prepared for the Harvard Business Review entitled "The U.S. Businessman Faces the Soviet Spy." A couple of years ago we had a discussion on this problem.

Mr. HOOVER. I recall that.

Mr. LIPSCOMB. This article is along the line of what we discussed, getting the businesssman informed of the dangers of dealing with the Soviets.

Mr. HOOVER. We have had a great demand for it since the article was printed in the Harvard publication. We have had many requests for reprints from chambers of commerce and business organizations. Many people ask, "What can I do? What must I be on the lookout for?"

A Communist does not have a distinctive personal appearance. He cannot be identified by his personal appearance. What we have tried to do in this article is to set forth in language that could be understood by the businessmen of the country, the things that can be done, what the picture is, and what they ought to know in dealing with Soviet bloc representatives.

I have been gratified by the large demand for reprints of this article.

Mr. LIPSCOMB. I certainly commend you for your outstanding service for our Nation.

Mr. HOOVER. Thank you, Mr. Congressman.

SOURCES OF CRITICISM OF THE FBI

Mr. CEDERBERG. I do not want to prolong this discussion, but I have a concern that there seems to be a trend in certain columns and newspapers in the country to try to discredit the activities of the FBI, and I am alarmed about this. I hope that regardless of some of these trends you will carry on in the fashion you have done before. The record of the FBI as it has been portrayed to this committee since I have been on it is one that is entitled to the highest commendation of all the people of our country.

Mr. HOOVER. I appreciate that. I realize the brickbats come, but I judge the source from which they come. Many times criticisms come from sources and individuals who, had they not criticized us, would have caused me great concern.

Mr. BOW. I want to say, along the lines of the brickbats you get, I wonder if some do not come from the same sources that are trying to discredit the Congress in the eyes of the public?

Mr. HOOVER. I think there is a definite effort to discredit the Congress.

Mr. BOW. Which effort comes from the same sources as those attacking the FBI.

Mr. HOOVER. Exactly. They make similar statements about the FBI which they make about Congress.

Mr. BOW. I want to join my colleagues in saying we all sleep a little easier at night knowing you are on the job, you and your colleagues; they deserve much credit too.

Mr. HOOVER. They certainly do.

VALUE OF BOYS' CLUBS OF AMERICA

Mr. BOW. Each year I like to get one statement in the record from you, I am so concerned about this question of juvenile delinquency, and I have been able to quote you on what you think about having Boys' Clubs. Do you still have the same feeling on that as in the past?

Mr. HOOVER. Yes, and even stronger, because juvenile delinquency is increasing faster than the population.

I happen to be a director of the Boys' Clubs of America, of which former President Herbert Hoover is the chairman. The more we have the youth of this Nation directed to clean activities, physical as well as mental, the better. Organizations such as the Boys' Clubs of America, Boy Scouts of America, and other such youth groups do a magnificent job. The unfortunate thing is they are not supported financially to do the job they could do if they were better financed. People seem to be able to raise money for all kinds of causes, but when it comes to doing something for youth, the financial support is not always forthcoming. In some areas where youth clubs have been established, areas where there had been a very high percentage of juvenile delinquency, the rate has dropped after the establishment of a boys' club, because the activities of the club take up the excess energy of the youth.

Just the other day I taped a statement for the Boys' Clubs of America to be used in their national drive this spring. We need the Boys' Clubs of America and other similar youth organizations more than ever, because the young people of today will be the next generation to run this country. Our present generation is apathetic and careless about helping these groups.

Youths should have certain ideals, which should be imparted in the homes but sometimes are not, and the schools and churches cannot do it all. The Boys' Clubs and other such groups can do a great deal to bring them up as outstanding members of the coming generation.

Mr. ROONEY. In this connection I think it might be well to insert at this point in the record the remarks made by Director J. Edgar Hoover upon receiving an award from the Catholic Youth Organiza-

tion in New York City on November 16, 1963.
(The remarks referred to follow:)

KEYS TO FREEDOM

(DIRECTOR J. EDGAR HOOVER)

Remarks made upon receiving the Pro Deo et Juventute (For God and Youth) Medal of the Catholic Youth Organization in New York City on November 16, 1963.

I accept this award with a deep feeling of humility. I shall treasure it because of my great admiration for the outstanding work being performed by the Catholic Youth Organization. Your efforts on behalf of America's young people have earned tne acclaim of all citizens who are concerned with the future of our Nation.

I am doubly honored that the invitation to attend this banquet was personally extended by His Eminence, Francis Cardinal Spellman, a brilliant and dedicated leader and a devoted servant of God.

To His Excellency, Archbishop John J. Krol, Msgr. Frederick J. Stevenson, and all associated with the Catholic Youth Organization and the Youth Department of the National Catholic Welfare Conference who have made this such a pleasant occasion, I express heartfelt appreciation. It has been especially good to see so many friends and to renew old acquaintances.

TODAY'S CHALLENGE TO YOUTH

To the outstanding young people assembled here tonight, I bring warm greetings. Yours is a generation of great challenge. Through no choice of your own, you have entered the world at a time when deadly forces challenge your right, and the right of every American, to live in freedom under God.

Young people in postwar America have grown up with the disillusioning knowledge that the world is no longer "safe for democracy."

High ideals are the birthright of youth, but the youth of postwar America must face, also, the chaos which present-day society presents, and bring about order through the realization of those high ideals.

We are at war with communism, in different ways on different fronts around the world. The Communist ideology is born in hate, but our philosophy of life is the practice of love and faith.

Just as freedom is your right, so challenge is your heritage—for freedom, once won, must constantly be defended.

FUNDAMENTAL FORCES

Today our country faces the most severe test ever to confront a free people. Here and abroad, mortal enemies of freedom and deniers of God Himself conspire to undermine the fundamental forces which are the lifeline of our country's vitality and greatness—our most formidable weapons, in peace and in war.

What are these forces? They are:

Faith, faith in a Supreme Being; God, the Author of liberty.

Individualism, inherent dignity and worth of every sovereign individual with his personal rights and responsibilities.

Courage, the courage of a free people firmly dedicated to the noblest cause.

Integrity, that quality of trustworthiness which is essential in dealings between men, and between countries.

Discipline, and self-discipline, which are vital in a nation governed by laws rather than by men.

Vision, such as led our Founding Fathers into the perilous dangers of a hostile wilderness that was to become the proud American Republic in which we live today.

These are America's great bulwarks. They are under savage attack today, just as they were so severely tested nearly 200 years ago at Bunker Hill and at Valley Forge.

Daniel Webster, that brilliant early American statesman, eloquently declared, "God grant liberty only to those who love it, and are always ready to guard and defend it."

Daniel Webster knew the heavy price America had paid for her liberty. And he knew also the disintegrating effect of self-indulgence, neglect of duty, and public lethargy in a nation of free men.

AMERICA'S ENEMIES

These lethal influences are at work, constantly undermining the sense of personal responsibility and self-discipline so essential to our Nation's welfare. They form a common denominator with the aggressive enemies of our Republic in assaulting the cause of decency and justice across the length and breadth of the land.

Who are these enemies of our Republic? They are the crime syndicates, the narcotics peddlers, the labor racketeers, the unscrupulous businessmen, the corrupt politicians, and all others who blatantly defy the laws of the land.

They are the hatemongers and the false liberals who would subvert our Constitution and undermine our democratic processes in furtherance of their selfish ends.

THE COMMUNIST PERIL

They are the Communists and other subversive elements who wave false banners of legitimacy and patriotism while relentlessly plotting to destroy our heritage of freedom.

Communism, in all its forms and in all its variations, is the avowed enemy of liberty and of justice and of God. The Communists fear free and independent thought. They fear truth. They fear God even though they deny Him. They fear the inherent courage and dignity of man created in His image.

Today, the Communists are engaged in an intensive campaign to control the minds and win the allegiance of American youth. Toward this end, a National Youth Commission has been established within the Communist Party, U.S.A.; special publications have been issued; front groups have been organized; and an ambitious speech program has been directed against our colleges and universities.

During the past 2 years, Communist spokesmen have appeared on nearly 100 campuses from coast to coast. Their purpose: To create confusion, raise questions, and spread doubt among our young people concerning the American way of life.

If their constitutional right to free speech allows them to use the public school forum to promote the secular creed of Marxism-Leninism which openly and avowedly denies God, does their constitutional freedom of religion also prohibit the rest of us from using the same public school forum to express our faith that God does exist?

It is indeed ironic that Communist Party speakers—whose minds and thoughts and actions are in no manner free—should demand the opportunity to parrot the Moscow line to young Americans under the guise of academic freedom!

Academic freedom is not an instrument for the perpetuation of conspiratorial ideologies. Nor is it an agent of self-destruction—a freedom to destroy freedom. As a free-flowing channel of truth and knowledge, academic freedom is not obligated to carry along the silted tributaries of lies and distortions of known Communists.

COMMUNIST TARGETS

The Communists look upon students as potential sympathizers, supporters, and contributors to the party's cause. Nor are they unmindful of the rich opportunity for infiltration presented by unwary racial and nationality groups.

This is especially true of the intense civil rights movement within the United States—for America's 20 million Negroes and the countless other citizens who share their objectives in the current struggle are a priority target for Communist propaganda and exploitation. Every organization engaged in this struggle must constantly remain alert to this vital fact, for, once under Communist domination, all freedoms and rights are lost.

The Communists are eager to capitalize upon all areas of misunderstanding and unrest. Their cause is the cause of Soviet Russia, for the Communist Party, U.S.A., is an inseparable part of the sinister international conspiracy which is financed and directed by the Kremlin. No amount of lies and duplicity can conceal this carefully documented fact.

Today, the godless Communist conspiracy controls more than one-third of the earth's people and a fourth of her land surface. In Europe, in Asia, and here in our own Western Hemisphere, we witness the stark tragedy of souls, chained to the yoke of communism, clamoring to be free again.

The Khrushchevs, the Castros, and the Mao Tse-tungs are faced with an eternal dilemma: The human spirit in bondage—no matter how heavy the chains—struggles relentlessly to break free. Witness the Hungarian Revolution; the boatloads of Marxist victims who continue to pour out of Cuba; the Poznan riots

in Poland; the heroic dashes of subjugated people through the Iron and Bamboo Curtains.

Make no mistake about the Communists in this country! Whether they are members of Soviet bloc diplomatic establishments in New York and Washington, or whether they are fanatical adherents of the Communist Party, U.S.A., all represent the same ideology of treachery, deceit, and subversion.

From the immunity which they enjoy as foreign diplomats on American soil, Soviet and satellite officials continue to carry out espionage assignments against the United States. That some American citizens, including concealed adherents to the Communist Party, have knowingly and willingly assisted these Iron Curtain intelligence networks is a criminal disgrace and a blight not only upon our Nation, but upon the entire free world. And it is equally disgraceful that well-meaning but uninformed citizens have permitted themselves to be duped by sympathy campaigns on behalf of Julius and Ethel Rosenberg, Morton Sobell, and other traitors.

Nowhere is the hope for peace more sincere than in the hearts of all true Americans. But in our quest for peace, we must never lose sight of the well-documented fact that every Red leader from Marx and Engels through Krushchev, Mao, and the American Communist spokesman Gus Hall, is dedicated to an ideology which upholds world conquest as its ultimate goal.

The Communists have never deviated from this objective. Despite the high-pressure campaign they have mounted behind Khrushchev's phrase of "peaceful coexistence," the Communists know that this is simply a propaganda slogan—one devised to further their own ends by stirring the hopes and emotions of those who seek an end to the turmoil, fear, and sorrow that world communism itself created.

FALSE FACE OF COMMUNISM

Actions continue to speak louder than words, and certainly the Communists have shown no indication of a sincere quest for peace.

The takeover of Cuba and effort to convert it into an island fortress against democracy; the ever-constant infiltration of Red fascists into countries of Central and South America to create a Sovietized Latin America; the increase of espionage activities by Soviet and satellite agents in our country, particularly those who strive to penetrate our Government processes from the protection afforded them by diplomatic assignments in New York and Washington; the frantic efforts of the Communist Party, U.S.A., to subvert our youth; and the intense drive of the Communists operating from concealed positions to wrest control of the movement for Negro rights—does all this indicate a real and sincere desire to live in "peaceful coexistence"?

In recent years, the Communists have demonstrated an attitude of open defiance and contempt for our laws—an attitude which is fortified by their repeated ability to invoke loopholes, technicalities, and delays in the law to thwart justice. One former judge found cause to warn last summer not only of "inexcusable" delays in the courts, but also of what he considered to be a "trend of decisions in the last 10 years * * * favorable to extreme leftwingers, Communists, and subversives in general."

NO MAN'S LAND IN THE LAW

Another student of court rulings in the internal security field was prompted to observe, "Unfortunately, subversive activities are well on the way to becoming a no man's land in the law."

In 1957, a Federal judge in the Nation's Capital assailed what he considered to be "an unfortunate trend of judicial decisions * * * which strain and stretch to give the guilty, not the same, but vastly more protection than the law-abiding citizen." There has been no reversal of this alarming trend—a trend which is felt in our steadily rising national crime problem.

Justice in a free nation means protection for society as a whole, rather than leniency for the individual to the detriment of society.

Since 1957, when the Federal judge issued his warning, crime has increased nearly 40 percent! Its victims continue to mount at a relentless rate. Four serious crimes are committed every minute; there is a crime of violence every 3 minutes; and property crimes—robberies, burglaries, larcenies, and automobile thefts—occur within seconds.

INDULGENT ATTITUDE

Americans, in growing numbers, are developing a dangerously indulgent attitude toward crime, filth, and corruption. No one can deny that motion pictures are deliberately and defiantly pursuing an increasingly bold courtship with obscenity. No one can deny the role of the television industry in bringing lurid portrayals of violence and sadism into the living rooms—and even the nurseries—of our homes. No one can deny that sensual trash is moving closer and closer to the children's books on the shelves of our newsstands and magazine stores.

Our youth do not need weakness; they need strength! They do not need indulgence; they need the guidance and the discipline which can best be provided by a decent home.

Above all, they need the benefit of religion—in church, at home, and in the atmosphere of our classrooms.

Despite the dedicated efforts of church and civic leaders, and others who have a sincere interest in the proper development of our young people, the failures continue to mount. Each year, persons under 18 years of age are involved in nearly two-thirds of the arrests for automobile thefts, and approximately one-half of the burglary and larceny arrests. The newspapers of our major cities recount incidents of senseless murders, violent assaults, and brutal beatings inflicted upon innocent victims by arrogant gangs of teenagers and young adults.

UNWARRANTED LENIENCY

Courts are influenced too much by the age—rather than the record—of the young hoodlum who stands before the bar of justice.

The bleeding hearts, some actually sworn to administer the law either as judges or social workers, are so concerned for young criminals and terrorists that they are indifferent to the rights of law-abiding members of society.

We have mollycoddled young criminals, lightly tapped hardened offenders on the wrists, and released some unreformed and unrepentant hoodlums to prey anew on society.

The time is long overdue for us to adopt a more realistic attitude toward this critical problem. We have tried the charitable approach toward young hoodlums and it has failed.

We are paying dearly for these failures. They represent a tragic waste of America's most valuable resource—the moral, mental, and physical health of her young citizens.

The crime problem costs the American people some $22 billion a year—nine times the amount contributed to our churches! For every $1 spent on educating our children, $1.11 goes to crime!

DOCTRINE OF HOSTILITY

Nowhere in recent months have our people faced a more explosive condition of shame and violence than among the hatemongers, the moral degenerates, the lunatic fringe, and the other irrational fanatics who preach a doctrine of hostility toward their fellow man. This rabble has sown the dragons' teeth of malice and intimidation; and from the ground has sprung a series of hate-driven riots, bombings, and desecrations.

The voices of temperance, logic, and decency must speak out more effectively and make their influence felt. No problem is so acute, no crisis so severe, that terrorism can be tolerated in a society of free men. Hate, terror, and lawlessness are not the American way of accomplishing any objective that is truly worthwhile. In meeting the tense crises which confront the United States in this nuclear age, we must look to God for guidance and inspiration.

This country has never run from its enemies. Challenge, not compromise—**bravery, not cowardice—are integral parts of our heritage.** Since that critical hour in 1777 when General Washington ordered his Revolutionary Army to "Put none but Americans on guard to-night," it has been the tradition of our proud Nation to rise to its greatest heights in the face of adversity.

There are important lessons to be learned in the pages of American history. From Faneuil Hall to Cape Canaveral, our greatest patriots have been men and women of deep religious conviction: Men like Thomas Jefferson, the principal

author of our Declaration of Independence, who told his fellow colonists, "The God who gave us life, gave us liberty at the same time."

In the eyes of a later-day hero, "Freedom, devotion to God and country are not things of the past. They will never become old-fashioned." These words were spoken by Astronaut John H. Glenn.

KEYS TO FREEDOM

America remains free because men of faith, men of individualism, men of courage, men of integrity, men of discipline, and men of vision have patrolled her most vital outposts for 187 years.

These strong qualities—faith, individualism, courage, integrity, discipline, and vision—are the keys to freedom.

When the United States has lost its youthful outlook, it will have lost its vitality and its capacity for progress. That is why I charge the young people assembled here tonight to preserve the pioneer spirit which has been the soul of America since her birth.

Meet every new challenge with confidence and determination. As you look to the future, do not lose sight of the important lessons of the past. History, all too often, repeats itself. The freedoms you enjoy today will be lost, as they have been destroyed at other times and in other nations, through neglect and abuse.

Do not hesitate to sepak out and bring public pressure to bear upon negative influences within your communities. We must never become so accustomed to filth or so intimidated by the advocates of so-called "worldly reality" that we fail to revolt against corruption and decay.

May you always protect America's heritage of freedom. May you, with God's holy guidance, preserve and strengthen that priceless heritage for the generations yet to come.

As His Eminence, Francis Cardinal Spellman, observed so profoundly nearly a decade ago, "We have no right to expect to keep our freedoms, if we ourselves do not faithfully and thankfully protect the soil and soul of America from those who have abandoned God, and for God's Commandments have substituted their own code of inhumanity, greed, and violence."

Let us protect and defend the real meaning of America. This is the debt we owe to the brave legions of the past who laid down their lives to safeguard the great truths which guide our destiny today.

SENTENCING OF CRIMINALS

Mr. Bow. Previously in these hearings, Mr. Director, we have considered the Criminal Division of the Justice Department and I was utterly amazed, in going over their justifications, to find that some of the tough hoodlums of the country, after conviction, were given 18-month sentences for some, what I consider, very serious crimes. One was an individual who had received an income of $20,000 a day in rackets, and so forth. It seems to me that sort of thing makes your job much harder.

Mr. HOOVER. It makes it extremely difficult.

(Discussion off the record.)

Mr. Bow. It seems to me that they have a pattern of 18 months. I recognize this is beyond your jurisdiction, but when we are talking about crime and the attempt to enforce the laws, it seems to me you get little cooperation when you have serious criminals in this country—and it probably took a long time to solve the crime and prepare the case for conviction—then find they get an 18-month sentence.

When we talk about juvenile delinquency, when a juvenile reads about a man making $20,000 a day in a racket over a long period of time and then, when he is finally convicted, he gets a sentence of only 18 months, I am concerned that this may contribute to the crimes in this country.

Mr. HOOVER. I think that is certainly a real factor. When youth see they can get away with crimes and nothing happens but a nominal sentence, some will follow in the footsteps of such criminals.

Mr. BOW. And many times the sentence is suspended.

Mr. HOOVER. Many times, and often they are out on parole long before they should be. We talk about life sentences. A life sentence in some States is about 7 years, because of the parole factor. In the Federal court a criminal is eligible for parole after serving one-third of his term. You read about a man being sentenced for life and you think he is out of circulation, and the next thing you know he is out on the streets on parole.

(Discussion off the record.)

Mr. BOW. Thank you very much, Mr. Hoover.

Mr. ROONEY. Mr. Director, let me, on behalf of the committee, express our grateful appreciation to you for another very interesting and informative session, and to again say we are indeed proud of the fact that we have you as one of the greatest administrators in Government.

Mr. HOOVER. I thank you indeed, Mr. Chairman. Thank you very much.

AFTERNOON SESSION

IMMIGRATION AND NATURALIZATION SERVICE

WITNESSES

R. F. FARRELL, COMMISSIONER.
E. A. LOUGHRAN, ASSOCIATE COMMISSIONER.
D. FRANCIS, ASSISTANT COMMISSIONER.

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

		1963 actual	1964 estimate	1965 estimate
11	Personnel compensation:			
	Permanent positions	46,048	48,068	49,588
	Positions other than permanent	714	702	793
	Other personnel compensation	4,855	5,475	5,610
	Total personnel compensation	51,617	54,245	55,991
12	Personnel benefits	4,172	4,277	4,447
21	Travel and transportation of persons	2,237	2,085	2,085
22	Transportation of things	532	482	482
23	Rent, communications, and utilities	1,378	1,369	1,494
24	Printing and reproduction	479	498	478
25	Other services	1,984	2,044	2,406
26	Supplies and materials	2,115	2,105	2,097
31	Equipment	1,715	1,904	1,711
32	Lands and structures	128	687	582
42	Insurance claims and indemnities	37	6	6
44	Refunds	29	29	29
	Unvouched	50	50	50
	Subtotal	66,473	69,781	71,858
	Deduct quarter charges	58	58	58
	Total costs	66,415	69,723	71,800
	Change in selected resources	−178	−723	
	Total obligations	66,237	69,000	71,800

Personnel summary

	1963 actual	1964 estimate	1965 estimate
Total number of permanent positions	7,203	7,097	7,097
Full-time equivalent of other positions	160	146	161
Average number of all employees	6,914	6,758	6,727
Employees in permanent positions, end of year	6,642	6,600	6,600
Employees in other positions, end of year	347	270	270
Average GS grade	7.6	7.6	7.6
Average GS salary	$6,947	$7,354	$7,464

Mr. ROONEY. The committee will please come to order.

Gentlemen, we shall now direct our attention to the appropriation request for the Immigration and Naturalization Service in the coming fiscal year. The proposed language of the committee print is to be found at page 96 thereof and the details may be found under Tab 25 of the justifications.

We shall at this point in the record insert pages 25–1 through 25–109 of these justifications.

(The pages follow:)

Salaries and Expenses, Immigration and Naturalization Service

Appropriated, 1964	$69,011,000
Less transfer to GSA for rent	−11,000
Appropriation, 1964 (adjusted)	69,000,000
Estimate, 1965	71,800,000
Increase	2,800,000

Summary analysis of estimate

Salaries and expense, Immigration and Naturalization Service appropriation, 1964:

Regular	$69,011,000
Transfer to "Operating expenses, General Services Administration	11,000
Total	69,000,000
Reductions (−):	
1. Inspection for admission into the United States	334,300
2. Detention and deportation	62,900
3. Naturalization	17,000
4. Border patrol	1,317,800
5. Investigating aliens' status	197,300
6. Immigration and naturalization records	157,100
7. General administration	47,000
Total	−2,133,400
Additions (+):	
1. Inspection for admission into the United States	430,400
2. Detention and deportation	116,600
3. Naturalization	90,100
4. Border patrol	338,100
5. Investigating aliens' status	292,300
6. Immigration and naturalization records	123,900
7. General administration	95,000
Total	+1,486,400
Adjustment in base (net)	−647,000
Base for 1965	68,353,000
Estimate for 1965	71,800,000
Increase over base	3,447,000
Increase from total appropriation, 1964	2,800,000

Consolidated comparison of program costs, by objects

	1963 actual	1964 estimate	Net adjustment	Base	Increase (+) or decrease (−)	1965 estimate
EMPLOYMENT SUMMARY						
Permanent positions	$7,203	$7,097		$7,097		$7,097
Positions equivalent of required savings due to lapses	449	485	+$103	588	−$57	531
Average number of permanent	6,754	6,612	−103	6,509	+57	6,566
Full-time equivalent of temporary and part time	160	146	−34	112	+49	161
Average number of all positions	6,914	6,758	−137	6,621	+106	6,727
10 Personal services and benefits:						
11 Personnel compensation:						
Total permanent	$49,824,911	$51,920,463	+$766,968	$52,687,431		$52,687,431
Deduct lapses	3,017,269	2,758,263	+766,968	3,525,231	−$426,000	3,099,231
Total	46,807,642	49,162,200		49,162,200	+426,000	49,588,200
Deduct net increase due to lower pay scales for part of year	759,600	1,094,000				
Net permanent	46,048,042	48,068,200	+1,094,000	49,162,200	+426,000	49,588,200
Temporary employment	400,719	340,000	−110,400	229,600	+191,400	421,000
Part-time employment	2,271	2,500		2,500		2,500
Intermittent employment	310,923	359,600	+9,600	369,200		369,200
Regular pay above 52-week base		369,800	−184,200	185,600		185,600
Overtime	356,141	394,600	+10,600	405,200		405,200
Premium compensation	2,090,854	2,111,000	+58,700	2,169,700		2,169,700
Holiday pay	65,836	75,000	+2,000	77,000		77,000
Nightwork differential	251,596	268,700	−4,800	263,900	+12,000	275,900
Extra compensation (act March 2, 1931): Nonreimbursable	1,827,508	1,994,100	+53,400	2,047,500	+182,800	2,230,300
Additional pay for service abroad	127,769	126,000	+3,400	129,400		129,400
Casual workers	35,311	35,000	+900	35,900		35,900
Pay of detainees	2,528	2,500		2,500		2,500
Rewards	81,378	81,600		81,600		81,600
Witness fees	755	800		800		800
Payments to other agencies for reimbursable details	15,565	15,600	+400	16,000		16,000
Total, personnel compensation	51,617,196	54,245,000	+933,600	55,178,600	+812,200	55,990,800

Consolidated comparison of program costs, by objects—Continued

	1963 actual	1964 estimate	Net adjustment	Base	Increase (+) or decrease (−)	1965 estimate
10 Personal services and benefits—Continued						
12 Personnel benefits:						
Accident compensation	$3,208	$33,600	−$33,600		+$77,400	$77,400
Foreign quarters allowance	147,203	159,700	+4,300	$164,000		164,000
Foreign education allowance	21,873	22,000	+600	22,600		22,600
Uniforms allowance	290,350	280,000		280,000		280,000
Transfer and lodging allowance	1,350	1,400		1,400		1,400
Group life insurance, Government contribution	157,103	165,100	+4,400	169,500	+1,700	171,200
FICA taxes, Government contribution	40,050	42,000	−3,800	38,200	+6,900	45,100
Incentive awards	153,306	51,600	+1,400	53,000		53,000
Employees Health Benefits Act	409,455	410,000		410,000		410,000
Payments to retirement fund, Government contribution	2,948,382	3,111,800	+83,200	3,195,000	+27,700	3,222,700
Total, personnel benefits	4,172,280	4,277,200	+56,500	4,333,700	+113,700	4,447,400
10 Total, personal services and benefits	55,789,476	58,522,200	+990,100	59,512,300	+925,900	60,438,200
OTHER COSTS						
20 Contractual services and supplies:						
21 Travel and transportation of persons	2,236,733	2,085,100		2,085,100		2,085,100
22 Transportation of things	531,841	481,400	−61,000	420,400	+61,800	482,200
23 Rent, communications, and utilities	1,378,465	1,369,200	+125,000	1,494,200		1,494,200
24 Printing and reproduction	479,188	498,045	−19,945	478,100		478,100
25 Other services	1,524,037	1,568,407	−96,807	1,471,600	+447,000	1,918,600
Unvouchered	50,000	50,000		50,000		50,000
Services performed by other Government agencies	459,723	475,300	+12,300	487,600		487,600
26 Supplies and materials	2,114,946	2,105,341	−11,741	2,093,600	+3,300	2,096,900
30 Acquisition of capital assets:						
31 Equipment	1,714,488	1,904,375	−1,620,775	283,600	+1,427,500	1,711,100
32 Lands and structures	127,822	687,218	−687,218		+581,500	581,500
40 Grants and fixed charges:						
42 Insurance claims and indemnities	37,332	5,500		5,500		5,500
44 Refunds	29,460	29,000		29,000		29,000
Total other costs	10,684,035	11,258,886	−2,360,186	8,898,700	+2,521,100	11,419,800
Total	66,473,511	69,781,086	−1,370,086	68,411,000	+3,447,000	71,858,000
Deduct quarters and subsistence furnished	57,732	58,000		58,000		58,000
Total costs	66,415,779	69,723,086	−1,370,086	68,353,000	+3,447,000	71,800,000
Costs financed from obligations of other years, net (−)	−178,318	−723,086	+723,086			
Obligations incurred for costs of other years, net						
Total obligations	66,237,461	69,000,000	−647,000	68,353,000	+3,447,000	71,800,000

Object summary of cost and obligation adjustments in base

	Program adjustments (obligations)	Cost financed from obligations of other years	Net cost adjustments in base
10 Personal services and benefits:			
11 Personnel compensation	+$933,600		+$933,600
12 Personnel benefits	+56,500		+56,500
OTHER OBLIGATIONS			
20 Contractual services and supplies:			
22 Transportation of things	−61,000		−61,000
23 Rent, communications, and utilities	+125,000		+125,000
24 Printing and reproduction		−$19,945	−19,945
25 Other services	−54,900	−29,607	−84,507
26 Supplies and materials	−3,600	−8,141	−11,741
30 Acquisition of capital assets:			
31 Equipment	−1,228,700	−392,075	−1,620,775
32 Lands and structures	−413,900	−273,318	−687,218
Total	−647,000	−723,086	−1,370,086

Statement of reimbursements

	1963 actual			1964 estimate			1965 estimate		
	Federal	Non-Federal	Total	Federal	Non-Federal	Total	Federal	Non-Federal	Total
BY OBJECT									
10 Personal services and benefits	$130,988	$1,519,066	$1,650,054		$1,556,600	$1,556,600		$1,597,700	$1,597,700
20 Contractual services and supplies	95,225	150,720	245,945	$21,700	153,900	175,600	$21,700	153,900	175,600
30 Acquisition of capital assets	106,831	157,016	263,847	100,000	55,800	155,800		54,700	54,700
Total	333,044	1,826,802	2,159,846	121,700	1,766,300	1,888,000	21,700	1,806,300	1,828,000
BY SOURCE									
Transportation lines:									
Maintenance and detention		5,852	5,852		5,900	5,900		5,900	5,900
Hospitalization		576	576		600	600		600	600
Inspection overtime		1,492,929	1,492,929		1,546,900	1,546,900		1,588,000	1,588,000
Guarding aliens in direct transit		652	652						
Sale of equipment (automobiles, trucks, etc.)	17	157,016	157,033		55,800	55,800		54,700	54,700
Lands and structures (Customs)	106,814		106,814	100,000		100,000			
Miscellaneous (meals and quarters, textbooks, travel, salaries, utilities, communications, etc.)	226,213	169,777	395,990	21,700	157,100	178,800	21,700	157,100	178,800
Total	333,044	1,826,802	2,159,846	121,700	1,766,300	1,888,000	21,700	1,806,300	1,828,000

Summary of permanent force by principal groups

	Actual, 1963	Estimate, 1964	Estimate, 1965
Field:			
Immigrant inspectors	1,202	1,234	1,234
Patrol inspectors	1,555	1,444	1,444
Special inquiry officers	34	34	34
General attorneys	6	6	6
Trial attorneys	18	21	21
Airplane pilots	61	50	50
Naturalization examiners	183	185	185
Investigators	770	767	767
Deportation officers	15	15	15
Officers in charge, supervisory, and administrative officers	348	348	348
Port receptionists	58	40	40
Clerks, etc	2,136	2,136	2,136
Detention officers	226	226	226
Custodial	110	110	110
Total permanent, field	6,722	6,616	6,616
Central office	481	481	481
Grand total	7,203	7,097	7,097

Summary of personal services and benefits

	1963			1964			1965		
	Department	Field	Total	Department	Field	Total	Department	Field	Total
PERSONAL SERVICES AND BENEFITS									
Personnel compensation:									
Net permanent	$3,161,448	$42,886,594	$46,048,042	$3,306,100	$44,762,100	$48,068,200	$3,403,500	$46,184,700	$49,588,200
Part-time employment		2,271	2,271		2,500	2,500		2,500	2,500
Temporary employment	152,121	248,598	400,719	152,000	188,000	340,000	153,000	268,000	421,000
Intermittent employment	16,630	294,293	310,923	16,700	342,900	359,600	16,700	352,500	369,200
Casual workers		35,311	35,311		35,000	35,000		35,900	35,900
Pay of detainees		2,528	2,528		2,500	2,500		2,500	2,500
Rewards		81,378	81,378		81,600	81,600		81,600	81,600
Witness fees		755	755		800	800		800	800
Regular pay in excess 52-week base				25,300	344,500	369,800	12,700	172,900	185,600
Overtime	16,387	339,754	356,141	16,400	378,200	394,600	16,400	388,800	405,200
Premium compensation		2,090,854	2,090,854		2,111,000	2,111,000		2,169,700	2,169,700
Holiday pay	1,185	64,651	65,836	1,200	73,800	75,000	1,200	75,800	77,000
Night work differential	18,186	233,410	251,596	20,000	248,700	268,700	20,000	255,900	275,900
Extra compensation (act, Mar. 2, 1931): Nonreimbursable		1,827,508	1,827,508		1,994,100	1,994,100		2,230,300	2,230,300
Additional pay for service abroad		127,769	127,769		126,000	126,000		129,400	129,400
Payments to other agencies for reimbursable details	750	14,815	15,565	800	14,800	15,600	800	15,200	16,000
Total, personnel compensation	3,366,707	48,250,489	51,617,196	3,538,500	50,706,500	54,245,000	3,624,300	52,366,500	55,990,800
Personnel benefits:									
Accident compensation		3,208	3,208		33,600	33,600		77,400	77,400
Foreign quarters allowance		147,203	147,203		159,700	159,700		164,000	164,000
Foreign education allowance		21,873	21,873		22,000	22,000		22,600	22,600
Allowance uniforms	625	289,725	290,350	700	279,300	280,000	700	279,300	280,000
Transfer and lodging allowance		1,350	1,350		1,400	1,400		1,400	1,400
Group life insurance, Government contribution	11,013	146,090	157,103	11,300	153,800	165,100	11,600	159,600	171,200
FICA taxes, Government contribution	8,647	31,403	40,050	9,000	33,000	42,000	10,000	35,100	45,100
Incentive awards	15,255	138,051	153,306	3,000	48,600	51,600	3,500	49,500	53,000
Employees Health Benefits Act	20,374	389,081	409,455	20,400	389,600	410,000	20,400	389,600	410,000
Payment to retirement fund, Government contribution	202,574	2,745,808	2,948,382	214,900	2,896,900	3,111,800	221,300	3,001,400	3,222,700
Total, personnel benefits	258,488	3,913,792	4,172,280	259,300	4,017,900	4,277,200	267,500	4,179,900	4,447,400
Total, personal services and benefits	3,625,195	52,164,281	55,789,476	3,797,800	54,724,400	58,522,200	3,891,800	56,546,400	60,438,200

GENERAL STATEMENT

Functions and objectives

The Immigration and Naturalization Service is responsible for the administration and enforcement of the Immigration and Nationality Act and related statutes. It is called upon to furnish services of many kinds and in great volume, principally to people of foreign birth. Functionally, the work of the Immigration and Naturalization Service is divided into seven principal activities. These activities and the chief objectives of each are as follows:

Activity	*Chief objective*
1. Inspection for admission into the United States.	1. To inspect persons applying for admission or reentry into the United States, facilitate the entry of those lawfully admissable, and exclude those found inadmissable.
2. Detention and deportation.	2. To take into custody, and expel aliens unlawfully in the United States.
3. Naturalization.	3. To encourage and facilitate the naturalization of applicants who meet the statutory requirements and to prevent the naturalization of persons not qualified for citizenship.
4. Border patrol.	4. To prevent the illegal entry of persons into the United States and to apprehend any aliens who are successful in accomplishing illegal entry.
5. Investigating aliens' status.	5. To investigate violations of the Immigration and Nationality Act in support of deportation or denaturalization proceedings.
6. Immigration and Naturalization records.	6. To receive, record, file and produce documents of entry, departure, and naturalization of aliens; maintain a registration record of all aliens who are in or who enter the United States.
7. General administration.	7. To provide services to facilitate and support operational activities.

New legislation

The act of December 13, 1963 (Public Law 88-203), extends to December 31, 1964, the Mexican farm labor program (title V, Agricultural Act of 1949, as amended).

Organization

The organization structure provides two broad areas of responsibility, operations and management. On the following pages there are (*a*) a chart showing the current organization of the Service, and (*b*) a map showing the four regional offices, their areas of jurisdiction, and geographic relation to the districts.

Broad comparison

The total estimate for the fiscal year 1965 is $71,800,000, as compared with the appropriation for the fiscal year 1964 of $69,011,000, minus $11,000 transferred to "Operating expenses, General Services Administration," a net increase of $2,800,000. Major subdivisions of the net increase are:

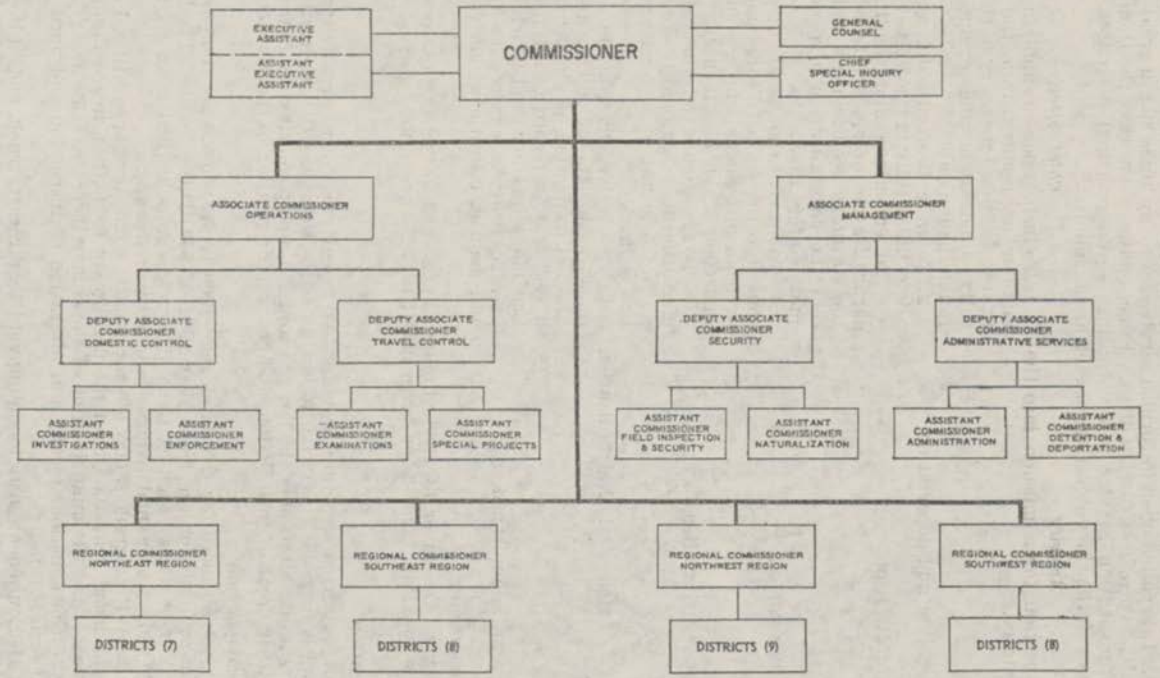
(1) Within-grade salary advancements, accident compensation, 1 less day in the fiscal year 1965 than the fiscal year 1964, GSA telecommunications increase, and the annualization of the salary increase, $1,796,600;

(2) Construction, repair, and alteration of inspection and border patrol stations, $178,700;

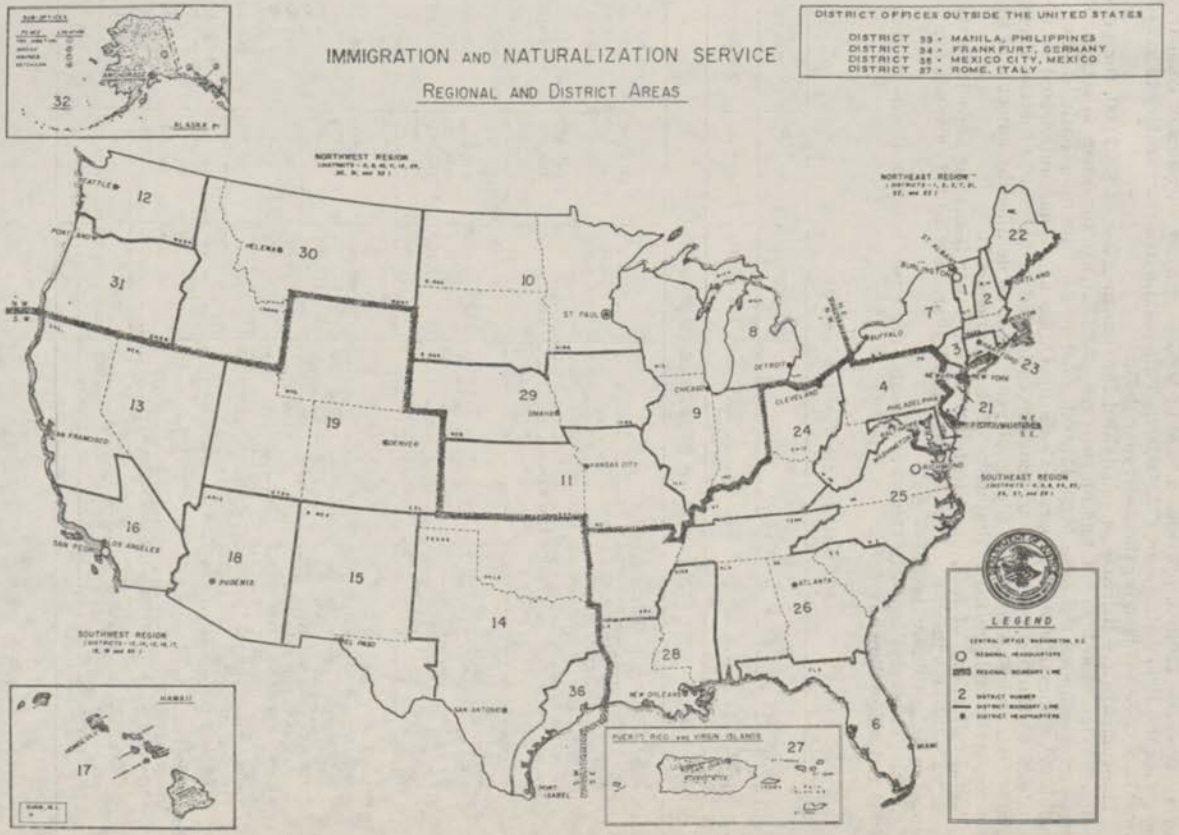
(3) Equipment costs including vehicle, aircraft, truck, and radio replacements, tractors, emergency generators, and office equipment, $199,600; and

(4) Inspection overtime, Government liability, and special records projects, $625,100.

UNITED STATES DEPARTMENT OF JUSTICE
IMMIGRATION AND NATURALIZATION SERVICE



SEPTEMBER 1962


IMMIGRATION AND NATURALIZATION SERVICE
REGIONAL AND DISTRICT AREAS
DISTRICT OFFICES OUTSIDE THE UNITED STATES
DISTRICT 33 - MANILA, PHILIPPINES
DISTRICT 34 - FRANKFURT, GERMANY
DISTRICT 35 - MEXICO CITY, MEXICO
DISTRICT 37 - ROME, ITALY
NORTHWEST REGION
NORTHEAST REGION
SOUTHEAST REGION
SOUTHWEST REGION
LEGEND
SEATTLE
HELENA
ST. PAUL
DETROIT
BUFFALO
CLEVELAND
CHICAGO
SAN FRANCISCO
DENVER
KANSAS CITY
PHILADELPHIA
WASHINGTON, D.C.
NEW YORK
BOSTON
ATLANTA
PHOENIX
EL PASO
SAN ANTONIO
NEW ORLEANS
MIAMI
PUERTO RICO and VIRGIN ISLANDS
HAWAII
ALASKA
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The obligation adjustments applied to the 1964 appropriation in order to arrive at a base for 1965 are listed by topics and by activities on the statement entitled "Detail of Adjustments in Base." The adjustments amount to a net decrease of $647,000. Applying the net decrease of $647,000 to the adjusted 1964 appropriation of $69 million, provides a base of $68,353,000, for purposes of comparison with the 1965 estimate of $71,800,000. This results in a comparative increase over base of $3,447,000, for the fiscal year 1965.

The comparative increase is subdivided into an increase of $925,900, for personal services and benefits, and an increase of $2,521,100, for other objects, or a net increase above the base of $3,447,000, as shown by the table entitled "Consolidated Comparison of Program Costs by Objects." Items authorized to be credited to the appropriation account are estimated at $1,888,000 for the fiscal year 1964, and $1,828,000 for the fiscal year 1965, as detailed by object and by source on the table entitled "Statement of Reimbursements."

Total collections of fees, fines, forfeitures, and other items for deposit to the general fund amounted to $4,990,566 last fiscal year. Such funds are not available for obligation by the Service.

A tabulation setting forth the increases and decreases between the fiscal year 1964 and 1965 follows:

Broad comparison tabulation

	1964	1965	Difference
Appropriation	$69,000,000	$71,800,000	$2,800,000
ANALYSIS OF INCREASE OF $2,800,000			
Mandatory and obligatory adjustments:			
Within-grade salary advancements		$455,400	+$455,400
Accident compensation (Public Law 86-767)	$33,600	77,400	+43,800
1 day less in 1965 than 1964	378,000	189,000	−189,000
Annualization of salary increase for 1965 (Public Law 87-793)		1,361,400	+1,361,400
GSA telecommunications (Public Law 87-847)		125,000	+125,000
Total			+1,796,600
Construction and repairs:			
Inspection stations	205,000	240,000	+35,000
Border patrol stations	120,000	290,000	+170,000
Repairs and alterations	158,100	131,800	−26,300
Total			+178,700
Equipment costs:			
Passenger vehicles	491,800	467,500	−24,300
Trucks	377,500	404,700	+27,200
Aircraft	112,000	76,500	−35,500
Tractors	22,500		−22,500
Radio system renewal	210,000	234,500	+24,500
Emergency generator equipment	75,900	140,900	+65,000
Records equipment		98,900	+98,900
Office equipment for GSA projects to be completed in 1965		66,300	+66,300
Total			+199,600
Other increases:			
Records projects	138,000	580,300	+442,300
Government liability overtime (5 USC 342c-342d)		182,800	+182,800
Total			+625,100
Net increase			+2,800,000

Topical tabulation of increases over base

The individual increases over the base are listed and explained in detail in the justifications for the respective activities involved. For comprehensive consideration there follows a topical tabulation of the items of increase, the amount of each, and a brief statement of the purpose.

Item	Amount	Purpose (in brief)
Motor vehicles and aircraft	$948,700	Annual replacements required to maintain vehicle and aircraft fleets in suitable condition to meet law enforcement needs include purchase and replacement of sedans, trucks, and aircraft.
Station repairs and alterations	131,800	Annual maintenance and changes required for safe operation and prevention of deterioration.
Statutory salary advancements	455,400	Unabsorbed portion of statutory within-grade salary advancements.
Radio system renewal	234,500	Scheduled replacement of equipment worn out through ordinary wear and tear and improvements to meet operational needs.
Emergency generator equipment	140,900	Continued operation of essential Service functions at certain key locations requires standby electrical power to be available when public utility lines fail, and in event of a national emergency.
Accident compensation	77,400	To cover the cost to the Service of reimbursement to the Bureau of Employees Compensation for claims by Service employees.
Constructing border inspection stations.	240,000	Joint program with customs for constructing 7 border inspection stations or adjunct facilities where present arrangements are grossly inadequate.
Constructing border patrol stations.	290,000	For the construction of 4 border patrol stations or adjunct facilities.
Overtime Government liability	182,800	International traffic increases with peak loads falling on weekends and holidays requiring inspection overtime.
Records equipment	98,900	Extension and improvement of equipment to house and process growing volumes of records.
Tabulation of 1965 alien address reports.	397,500	Alien population report authorized by sec. 347, Immigration and Nationality Act.
Record projects	182,800	Temporary employment required to keep pace with rapidly increasing records workload.
Office equipment	66,300	Office equipment for Service facilities at General Services Administration construction projects to be completed in the fiscal year 1965.
Total	3,447,000	

Explanation of language change

Aircraft.—A change is required to make the 1965 appropriation available for the replacement of five light airplanes. A table and other data in support of the replacements appear in the section dealing with the Border Patrol.

Detail of adjustment in base—Obligations

	Inspection	Detention and deportation	Naturalization	Border Patrol	Investigation	Immigration and naturalization records	General administration	Total
REDUCTIONS								
1. Passenger vehicle replacement (250):								
Vehicles	$62,300	$1,800	$3,400	$241,800	$147,000			$456,300
Delivery costs	5,000	100	300	18,200	11,900			35,500
Subtotal, item 1	67,300	1,900	3,700	260,000	158,900			491,800
2. Trucks (125):								
Vehicles				352,500				352,500
Delivery costs				25,000				25,000
Subtotal, item 2				377,500				377,500
3. Aircraft replacement (8)				112,000				112,000
4. Radio system renewal				210,000				210,000
5. Station repairs and alterations:								
Contractual services	12,400	5,900	700	44,700	1,300	1,300	900	67,200
Supplies and materials	100	400		1,400	100			2,000
Land and structures	1,200	7,300	700	75,100	1,400	1,600	1,600	88,900
Subtotal, item 5	13,700	13,600	1,400	121,200	2,800	2,900	2,500	158,100
6. Border inspection stations (5)	205,000							205,000
7. Border patrol stations (3)				120,000				120,000
8. Accident compensation							33,600	33,600
9. Tractors (5):								
Vehicles				22,000				22,000
Delivery costs				500				500
Subtotal, item 9				22,500				22,500
10. Temporary employment in records and related costs						138,000		138,000
11. Emergency generator equipment		33,000		42,900				75,900
12. 1 day less in 1965 than 1964	48,300	14,400	11,900	51,700	35,600	16,200	10,900	189,000
Total reductions (−)	334,300	62,900	17,000	1,317,800	197,300	157,100	47,000	2,133,400
ADDITIONS								
13. Annualization of pay raise for 1965	399,700	102,500	82,700	320,300	268,600	114,600	73,000	1,361,400
14. GSA telecommunications	30,700	14,100	7,400	17,800	23,700	9,300	22,000	125,000
Total additions (+)	430,400	116,600	90,100	338,100	292,300	123,900	95,000	1,486,400
Net adjustment in base	+96,100	+53,700	+73,100	−979,700	+95,000	−33,200	+48,000	−647,000

ANALYSIS OF APPROPRIATION BASE

The preceding tabulation, entitled "Detail of Adjustments in Base," summarizes, by items and by activities, the reductions applied in obligations to arrive at the appropriation base for 1965. Comments as to numbered items on that tabulation follow:

Items 1 through 8 fall within the so-called "nonrecurring" category. These items are listed as reductions in order to arrive at a zero base before taking up requirements for like items in the fiscal year 1965. This eliminates from the base all funds for replacement of passenger vehicles, trucks, and aircraft, renewal of the border patrol radio system, annual repairs to immigration stations, construction, and accident compensation reimbursable to the employee compensation fund.

Item 9 eliminates the 1964 fiscal year cost of five tractors for sign-cutting trails at strategic locations to combat illegal entry into the United States.

Item 10 eliminates the 1964 fiscal year cost of temporary employment for filing index cards in master index, which is an integration of all Service indexes.

Item 11. The emergency generator equipment is listed as a reduction in order to arrive at a zero base before taking up requirement for a like item in the fiscal year 1965.

Item 12 reflects the downward adjustment on account of 261 compensable days in the fiscal year 1965 compared with 262 in 1964.

Item 13 reflects the annualization of employees salary increase, Public Law 87–793, effective January 5, 1964.

Item 14 under Public Law 87–847, approved October 23, 1962, all GSA communication costs in 1965 are to be borne by appropriation to the customer agencies with reimbursement by the agencies to General Services Administration. The General Services Administration on September 9, 1963, increased telecommunication service rates effective July 1, 1964. The wordage rate for teletypewriter service will be increased from 15 mills to 33 mills per word for messages. The number of teletype words transmitted annually multiplied by the rate increase per word (5,928,500×$0.018) gives a net increase of $106,700. Another increase is an average of $2.35 per telephone station per month. The number of telephone stations in the Immigration and Naturalization Service multiplied by the increase per station and multiplied by the number of months in the year (962×$2.35×12) gives a net increase of $27,000. Thus, the total cost of the increase to the Service will be $125,000 (the Service will absorb the difference of $8,700).

Force and workload: Inspection for admission into the United States

	Actual			Estimate	
	1961	1962	1963	1964	1965
POSITIONS					
Supervisory	91	88	90	90	90
Officers	1,114	1,126	1,152	1,185	1,185
Clerical	476	516	521	503	503
Detention officers	8	7	7	7	7
Custodial	2	2	1	1	1
Central office	42	42	41	41	41
Total permanent positions	1,733	1,781	1,812	1,827	1,827
Average permanent employees	1,654	1,658	1,714	1,706	1,693
Average number of all employees	1,716	1,741	1,767	1,765	1,752
WORKLOAD					
Border crossers	160,294,175	164,980,440	164,881,601	166,577,000	169,691,000
Aliens	92,259,659	94,835,674	94,694,164	95,800,000	97,813,000
Citizens	68,034,516	70,144,766	70,187,437	70,777,000	71,878,000
Other aliens admitted	2,340,720	2,582,747	2,710,307	2,783,000	2,911,000
Other citizens admitted	2,805,866	3,102,405	3,444,099	3,659,000	3,988,000
Aliens denied entry on primary inspection	158,738	149,463	153,417	153,000	157,000
Special inquiry hearings (exclusion)	2,599	1,010	979	1,000	1,000
Crewmen examined (arrived)	2,560,884	2,622,340	2,657,800	2,708,000	2,771,000
Aliens	1,746,339	1,762,356	1,795,418	1,803,000	1,821,000
Citizens	814,545	859,984	862,382	905,000	950,000
Vessels boarded (arrived)	67,680	68,828	70,840	74,000	77,000
Aircraft examined (arrived)	173,312	179,648	186,778	188,000	192,000
Stowaways found on arriving vessels	213	241	145	200	200
Visa petitions	77,301	70,086	74,277	90,840	95,000
Extensions of temporary stay	182,179	175,196	192,821	204,000	213,000
Applications, waiver of excludability [1]	1,850	2,270	5,244	5,500	5,800
Change of nonimmigrat status	11,220	11,759	12,121	14,100	15,600
Change from nonimmigrant to immigrant status	13,520	16,754	21,734	20,000	22,000
Petitions to import	12,146	12,743	13,892	14,000	14,700
Creation of record of admission	5,711	3,565	3,031	2,900	2,900
Aliens paroled into United States	86,783	184,125	165,897	35,000	35,000
Visa petitions, revalidation [2]		9,457	7,639	8,300	8,600

[1] 1961 and 1962 statistics do not include sec. 212(d)(3) orders written in the central office.
[2] 1961 statistics not reported.

1. Inspection for admission into the United States

Appropriation base	$18,601,400
Budget estimate	19,249,600
Increase in the budget estimate over the appropriation base	648,200

Service officers inspect all persons arriving or destined to arrive in the United States to determine whether they are citizens or aliens and, if they are aliens, whether they are admissible under the immigration laws. (They arrive by means of aircraft, vessel, rail, bus, and private vehicle, as well as afoot, at the border ports, seaports, or airports.) In some instances, inspections are performed abroad prior to the traveler's departure for the United States or aboard ship en route to the United States. The inspection activity also includes relating work in connection with admission such as parole into the United States; extension of stay; change of status; preparation and issuance of immigration documents to visitors, students, transients, etc., visa petitions and permission to reapply.

Previous year performance

International travel.—The total number of applicants for admission to the United States during the fiscal year 1963 remained at the high level established in the previous year. Over 174 million persons were inspected. The number of border crossers remained about the same, with an expected increase not developing. This was due to a number of factors. Economic conditions in Canada and Mexico changed considerably; a number of roads in Canada were improved which made it unnecessary to enter the United States at certain locations in order to travel the best route from one point in Canada to another; also, last year brought extremely severe winter weather. On the other hand, the admission of aliens, other than border crossers, increased approximately

5 percent and the admission of U.S. citizens returning from travel to other than nearby countries increased 11 percent.

The following comparative figures show the trend for the two principal categories of international travel.

Fiscal year	Entries over land boundaries	Passenger arrivals by sea and air [1]
1959	149,632,404	2,865,567
1960	154,034,400	3,111,530
1961	160,294,175	3,360,606
1962	164,980,440	3,612,678
1963	164,881,601	3,948,226

[1] Excluding crewmen, military personnel, and traffic from insular possessions.

The volume of aliens admitted with documents continues to rise, increasing about 12 percent over the year before. The trend of such admissions is shown as follows:

Fiscal year	Aliens admitted		
	Immigrant	Non-immigrant	Total
1959	260,686	1,024,945	1,285,631
1960	265,398	1,140,736	1,406,134
1961	271,344	1,220,315	1,491,659
1962	283,763	1,331,383	1,615,146
1963	306,260	1,507,091	1,813,351

Multiple inspections.—The Service participates with the other inspection agencies, the Bureau of Customs, the Public Health Service, and Plant Quarantine of the Department of Agriculture, in carrying out one-stop primary inspection on the land borders of the United States. This procedure has proven to be a means of facilitating travel and handling the tremendous volume of traffic with existing personnel. This procedure is also used to inspect private aircraft and private boats.

Refugee parole program.—By the end of the fiscal year 1963, a total of 23,766 refugees to be admitted under the act of July 14, 1960, has registered in the 6 European countries and Lebanon where the program is being administered. Of this number 14,567 aliens were qualified for parole and 8,996 applicants have been rejected or their cases otherwise closed. As of June 30, 1963, 11,823 refugee-escapees had been paroled into the United States. Aliens paroled under this law are inspected for admission for permanent residence after they have been in the United States for 2 years. Such aliens numbered 2,000 as of June 30, 1963.

Hong Kong Chinese parole program.—As the result of a Presidential directive of May 23, 1963, parole was authorized for certain Chinese in Hong Kong to assist in the alleviation of the crowded conditions in that crown colony. Parole has been authorized to 10,000 applicants and it is anticipated that about 5,000 additional aliens now being processed will be paroled before the program terminates in the fiscal year 1964.

Cuban refugees.—The regular weekly flow of refugees arriving in the United States from Cuba ceased after the crisis of October 1962. Pan American Airways and KLM Royal Dutch Airlines flights, regularly scheduled to the United States from Cuba, were canceled and have not been resumed. However, some 6 Red Cross sponsored vessels and 18 such planes have arrived with 6,590 Cuban refugees and U.S. citizens since October 22, 1962. By the close of the fiscal year, the Service had processed a cumulative total of 157,773 such Cubans as compared with a cumulative total of 125,800 who had been processed as of the end of the fiscal year 1962.

Importation of Mexican agricultural workers.—The importation of Mexican agricultural workers decreased during the fiscal year 1963 with only 195,450 such workers admitted compared to 282,556 the previous year. The law under which these workers are admitted was extended for 1 year during the first session of

the 88th Congress and is scheduled to expire on December 31, 1964. If it is not further extended, procedures will have to be installed to process visa petitions for the importation of workers under the regular provisions of the Immigration and Nationality Act. Additional problems relating to this program are discussed in that part of these justifications relating to the border patrol activity.

Adjudications.—Each year the Service examines several hundred thousand applications to determine whether persons are eligible for benefits and privileges which they apply for under the immigration and related laws while seeking to enter or remain in the United States either temporarily or permanently. Examples of applications submitted to the Service are visa petitions to bring into this country relatives of U.S. citizens or lawfully resident aliens, persons of exceptional ability, ministers; petitions to import temporary workers; requests for the issuance of border crossing cards, crewmen's landing permits, reentry permits; applications to adjust status to that of lawful permanent residents of the United States, or to create a record of lawful permanent residence, or to change from one nonimmigrant status to another; applications for permission to reapply for admission to the United States; and approval of schools for attendance by foreign students.

One of the more complex types of adjudications work is the application of an alien to change his status to that of an immigrant. In the fiscal year 1962, 16,754 of these applications were processed, compared to 21,734 this past fiscal year, a 30-percent increase. The increase was due to the enactment of Public Law 87–885 on October 24, 1962, which made immigrant visas immediately available under section 245 of the Immigration and Nationality Act for a substantial number of alien beneficiaries of first preference visa petitions filed prior to April 1, 1962.

The number of visa petitions completed during the past fiscal year totaled 74,277, an increase of 6 percent over the 70,086 completed in the fiscal year 1962.

The Service has the responsibility of determining whether to waive the statutory requirement that an exchange alien reside abroad for a period of 2 years after departure before he is eligible to apply for an immigrant visa, for a visa for temporary admission, or for adjustment of status to that of a permanent resident. The total of 863 applications completed last year took a considerable amonut of time since waivers may be granted only on the basis of a request by an interested U.S. Government agency, or on the basis of a finding by the Service that compliance with the foreign residence requirement would impose exceptional hardship on the applicant's U.S. citizen or resident alien spouse or child.

Revenue.—Provisions for administrative fines and penalties are contained in the Immigration and Nationality Act in connection with items such as (*a*) bringing aliens to the United States without visas, (*b*) failure to manifest or improper manifesting of arriving and departing persons, and (*c*) failure to prevent illegal landing of alien crewmen and stowaways. In the fiscal year 1963, revenue from fines and penalties amounted to $338,798. Fees for applications, permits, and other actions relating to admission to the United States or eligibility to remain, amounted to $2.9 million last year. All such funds are covered into the general fund of the Treasury and are not available for obligation.

Program outlook

International travel.—The Mexican Government has embarked upon an elaborate program to improve and modernize cities along the Mexican border and to attract tourists. Private companies are constructing tourist attractions such as racetracks and bullrings and other places of entertainment. This will increase border crossers and others going and coming from Mexico.

The decrease in traffic on the Canadian border is considered to be temporary and will return to the established trend of increasing each year as more and more people begin to travel. Sound economic conditions in many European countries will permit many additional persons to take international vacations. More expeditious issuance of visas will encourage travel to the United States. These factors plus the continued modernization and development of improved means of transportation such as aircrafts and vessels, and the improvement of highways along the Mexican and Canadian border, will result in an increase in international travel.

The trend in the number of applicants for admission established in the last few years continues. The 12.2-percent increase in the number of aliens admitted with documents in the fiscal year 1963 shows a substantial gain compared to an average yearly increase of 8.2 percent from 1959 to 1962.

There are other factors indicating an increase in international travel:

Airports: The Dulles International Airport, Washington, D.C., opened in the fall of 1962 and international traffic will increase at this very modern airport. The new international facility at O'Hare Airport in Chicago was ready for full operation in August 1963. Improvements of inspectional facilities have been completed in San Francisco and expansion of the Idlewild, N.Y., international inspection area is in progress.

Land ports: International bridges have been completed at Lubec, Maine, and Sault Ste. Marie, Mich. Major highway improvements have been completed at several points on the Canadian border. Major construction projects are underway on highways going into the interior of Mexico. Border stations and inspection facilities are scheduled for construction or improvement during the next 2 years.

Refugee-escapees.—It is anticipated that the act of July 14, 1960, providing for the parole of refugee-escapees, will continue during the fiscal years 1964 and 1965. It is estimated that approximately 6,000 applications for the parole of refugee-escapees will be received and processed during each of the fiscal years 1964 and 1965.

Adjudications.—It is anticipated that the number of applications for adjustment of status to that of an immigrant will drop from the high 1963 figure (which resulted from the act of October 24, 1962) because those aliens who were eligible to adjust under the act of October 24, 1962, have done so. By the fiscal year 1965, however, the number of applications completed during the past fiscal year will have been exceeded because of the steady rise of nonimmigrant aliens arriving in the United States.

As the number of eligible aliens who entered the United States prior to June 28, 1940, is depleted, further decreases in the volume of applications for the creation of a record of admission are expected. However, if legislation introduced in the 87th and 88th Congresses to advance the date prior to which entry must have been made to qualify for the benefits of section 249 from June 28, 1940, to December 24, 1952, is enacted there will be a large increase in applications. Visa petition receipts will increase. The increase will stem from military rotation which causes military personnel ordered home to file visa petitions in behalf of spouses whom they married while abroad.

As oversea travel increases and more and more aliens enter the United States temporarily, applications for changes in nonimmigrant status will increase. Petitions to import temporary workers will increase slightly.

Inspection for admission into the United States—Increase, $648,200

A. Passenger vehicle replacements (36):		
Vehicles	$62,300	
Freight	5,000	
		$67,300
B. Statutory salary advancements		123,000
C. Repairs and alterations, immigration stations		23,800
D. Office equipment for GSA projects		11,300
E. Border inspection stations		240,000
F. Overtime, Government Liability		182,800
Total		648,200

A. *Passenger vehicle replacements.*—Increase, $67,300.

B. *Statutory salary advancements.*—Increase, $123,000.

C. *Repairs and alterations, immigration stations.*—Increase, $23,800.

D. *Office equipment for GSA projects.*—Increase, $11,300.

The total amounts requested for each of the foregoing items are tabulated in detail and justified in full in that part of the justifications dealing with multiactivity items. The increase referred to here represents the applicable portions chargeable to the "Inspection" activity.

E. *Border inspection stations.*—Increase, $240,000. There are a number of locations along the land borders where the Service occupies most inadequate buildings and adjunct facilities used in the inspection of aliens entering the United States. Immigration and customs inspection is attempted at many locations in rented buildings so situated that inspection is made only by voluntary appearance of the person seeking entry. It is estimated that approximately 25 percent of border crossers in these areas fail to appear for inspection. The buildings are inadequate and disgraceful in appearance in some locations.

The Service and the Bureau of Customs, under the guidance of the Bureau of the Budget, have agreed upon a program for construction of required projects. Facilities are required at 29 locations where action can be taken by the two services under the act of June 26, 1930, as amended (46 Stat. 817; 54 Stat. 1091; 65 Stat. 336; 70 Stat. 159; 74 Stat. 130; 76 Stat. 87). This law authorizes the Secretary of the Treasury and the Attorney General to expend from appropriations for the Customs and Immigration and Naturalization Services not to exceed $100,000, for any one project, covering sites and buildings to provide better facilities for law enforcement at points along the borders at which no Federal or other buildings adapted or suitably located for the purpose are available. The fiscal year 1965 estimate provides for construction projects at seven locations.

While the actual cost will vary depending on local pay scales, subsurface conditions, availability of utility lines, site preparation, etc., the overall estimate, developed on the basis of average conditions follows:

	Square feet	Unit	Amount
Station building	1,110	$18	$20,000
Canopy	500	13	6,500
Site, utility installation, etc			15,000
Grading, approaches, and driveways			10,000
Total for station without living quarters			51,500
Cottage	1,215	15	18,200
Garage	300	6	1,800
Total for living quarters			20,000
Appliances:			
Per cottage			1,250
Per station building			1,000

The entire border inspection station program recommended for the fiscal year 1965 is summarized as follows:

Location	Cost of station	Cottages		Appliances	Total cost	Immigration and Naturalization cost
		Number	Amount			
Boundary, Wash	$51,500	2	$40,000	$3,500	$95,000	$47,500
Falcon Heights, Tex		4	70,000	5,000	75,000	37,500
Forest City, Maine	[1] 37,750	1	20,000	2,250	60,000	30,000
Frontier, Wash	51,500	2	40,000	3,500	95,000	47,500
Hogansburg, N.Y	54,000			1,000	55,000	27,500
Noonan, N. Dak		2	47,500	2,500	50,000	25,000
Sweetgrass, Mont		2	47,500	2,500	50,000	25,000
	194,750		265,000	20,250	480,000	240,000

[1] Station of only 750 square feet required because of occupancy by 1 agency to handle smaller workload.

1. Boundary, Washington: The present station is located 12 miles from the border in leased quarters at Northport at the intersection of Highways 22 and 22A. Intersecting roads between the station and the border permit traffic to bypass the station. Inspection facilities are required at the border on both highways, No. 22–A (Boundary) and No. 22 (Frontier). Approximately 280,000 persons enter at Northport annually. Port hours are 7 a.m. to 1 a.m., April through September and 8 a.m. to 2 a.m., October through March. The station is manned by three immigration officers and two customs officers. It is proposed to construct an office building and two cottages for personnel at the border at Boundary.

2. Falcon Heights, Tex.: Two Government-owned cottages are presently available for the use of Service officers assigned to the Falcon Heights, Tex., Border Inspection Station. Housing is required for two Service officers assigned to the nearby Roma Port where adequate housing is very difficult to secure. It is extremely difficult to obtain a clear title to land at Roma. Utility costs are also high at that location. In order to provide more flexibility in making assignments and inasmuch as Government-owned land is available at Falcon Heights, it is proposed to construct four cottages at that location, two for each agency.

3. Forest City, Maine: The present station is located in a small leased building near the border. It lacks such essentials as water and toilet facilities. Approximately 12,000 persons enter annually. The station is manned by a customs officer from 8 a.m. to 5 p.m., June to October, 7 days per week and during the same hours from November to May, 6 days per week, Monday through Saturday. It is proposed to construct a new station at the border.

4. Frontier, Wash.: The present station is located 12 miles from the border in leased quarters at Northport at the intersection of Highways 22 and 22A. Intersecting roads between the station and the border permit traffic to bypass the station. Inspection facilities are required at the border on both highways. No. 22–A (Boundary) and No. 22 (Frontier). Approximately 280,000 persons enter at Northport annually. Port hours are 7 a.m. to 1 a.m., April through September and 8 a.m. to 2 a.m., October through March. The station is manned by three immigration officers and two customs officers. It is proposed to construct an office building and two cottages for personnel at the border at Frontier.

5. Hogansburg, N.Y.: The present station, 2 miles from the border, is located in leased space lacking modern conveniences or sanitary facilities. Approximately 300,000 persons enter this port annually. Port hours are 6 a.m. to 10 p.m. daily. The station is manned by two customs officers. It is proposed to construct a new station at the border.

6. Noonan, N. Dak.: The office quarters and two sets of living quarters at this location are situated in one small Government-owned building at the border. The structure was built over 25 years ago and is very unsatisfactory. It is proposed to construct two cottages for the immigration and customs officers assigned to the port.

7. Sweetgrass, Mont.: Housing has been difficult to obtain by the officers assigned to this border patrol and border inspection station. There is a force of six immigration officers, six border patrol officers, and seven customs officers at this port. No suitable rental housing is available at Sweetgrass. Housing can be obtained only under extremely difficult circumstances approximately 8 miles away. It is proposed to construct two residences at Sweetgrass.

F. *Overtime, Government liability.*—Increase $182,800.

Passenger arrivals by sea and air continue to rise each year. The cost of overtime inspection of nonscheduled or off-schedule aircraft is paid for by the commercial carriers. However, the Federal Government pays the cost of inspection overtime of regularly scheduled and on-time aircraft and also the cost of Sunday and holiday pay at land border ports. Peak traffic loads fall on weekends and holidays. This, plus closer adherence to scheduled arrival times by jet aircraft, has caused Government liability under the Overtime Act of March 2, 1931, to increase at an even greater rate. The increase in cost has averaged 10.4 percent per year since 1958. The 1964 cost is estimated to run $25,800 over the amount budgeted for that year. The requirement for the fiscal year 1965 has been calculated on the basis of only the average increase over the past year. The 1965 estimate includes an increase of $182,800, which is a 10 percent increase over the past year when the cost was $1,827,508. This would be an increase of only 9 percent over the current year budget of $1,994,100 for this item (after deducting that part of the increase due to the pay raise, $53,400).

Force and workload: detention and deportation

	Actual			Estimate	
	1961	1962	1963	1964	1965
Positions:					
Supervisory	21	19	26	26	26
Officers	117	139	127	129	129
Clerical	143	129	138	138	138
Detention officers	186	190	209	209	209
Custodial	12	15	20	20	20
Central office	34	30	28	28	28
Total, permanent positions	513	522	548	550	550
Average permanent employees	493	495	526	510	507
Average number of all employees	499	510	534	518	515
Workload:					
Aliens expelled:					
Deported under formal order	7,438	7,637	7,454	7,500	7,500
Required to depart	52,383	54,164	69,392	60,000	60,000
Total expelled	59,821	61,801	76,846	67,500	67,500
Indigent aliens returned to their native land at their own request	143	182	177	150	150
Orders to show cause issued	17,252	19,336	24,705	24,700	24,700
Warrants of arrest served	10,072	14,013	17,596	17,600	17,600
Deportation hearings conducted	13,004	10,431	12,805	12,000	12,000
Average number of aliens in detention	791	836	819	850	850
Aliens released on recognizance	1,782	484	505	500	500
Aliens placed on bond	524	524	488	500	500
Aliens placed under supervision	3,213	1,578	998	1,000	1,000
Unexecuted final orders of deportation pending at end of year	5,749	5,167	6,330	5,500	5,500
Reports in private bill cases	1,462	1,325	1,170	1,400	1,200

2. Detention and deportation

Appropriation base	$6,218,400
Budget estimate	6,285,700
Increase in the budget estimate over the appropriation base	67,300

This activity encompasses the detention, deportation, and parole of aliens. The activity begins at the time an order to show cause is served upon an alien and continues until deportation is effected or proceedings are otherwise terminated.

Previous year performance

Expulsions.—The number of aliens expelled under orders of deportation in the fiscal year 1963 was slightly less than the figure for the fiscal year 1962. This was due to the passage of legislation which enlarged the classes of aliens permitted to apply for suspension of deportation. On the other hand, the number of aliens required to depart without the issuance of an order of deportation increased by over 28 percent. This was due mainly to shipping strikes which prevented the departure of crewmen within their allotted time, thus making them technical violators of the law. Also drought conditions in Mexico tended to increase the number of violators along the Mexican border, resulting in an increase in the number of required departures there.

Six hundred seventy-eight aliens were deported on criminal, immoral, and narcotic charges, and four were deported on subversive charges or were aliens with subversive backgrounds. Among those deported on subversive charges were Curt Leopold Ponger and Gus Polites. Ponger was deported to Austria on September 19, 1962, upon his release from the U.S. penitentiary at Atlanta, Ga., where he was serving a sentence of 5 to 15 years imposed in 1953 following his conviction on a charge of conspiracy to deliver to the U.S.S.R. information relating to the national defense of the United States. He had been naturalized while serving in the U.S. Armed Forces in 1943. His citizenship was revoked in 1957 and he was ordered deported in 1958. Gus Polites, who had been active in Communist activities in the Detroit area, was deported on January 24, 1963. He chose deportation to Poland rather than to his native Greece.

Deportation of mentally or physically ill aliens.—There was a total of 67 mentally incompetent aliens deported or removed during the fiscal year 1963. Up to the time of deportation, over $320,000 had been expended on their care in the United States. Had they continued to remain institutionalized at public expense, over $4 million would have been expended for their maintenance and treatment in their expected lifetime.

Detention facilities.—Due to a drop in the number of aliens coming to the United States from Cuba, screening operations at the Opa Locka Processing Center in Miami, Fla., were reduced, thus creating a reduction in the number of aliens detained. Coordination of the efforts of the supervisors of the 3 detention facilities in the southwest area has led to increased efficiency in the maintenance of records and purchases of food and supplies; 17,119 aliens were initially admitted into Service facilities in the past fiscal year. Detention of aliens averaged 6.3 days per person. In non-Service facilities 16,571 were initially admitted. Aliens remained an average of 4.0 days in non-Service facilities.

Administrative prosecutions.—Deportation proceedings begin with an order to show cause which sets forth allegations and grounds of deportability. It is followed by an appearance before a special inquiry officer. Deportability is established if the alien admits the allegations and deportability. However, if the alien contests the allegations or charges, an examining officer is assigned to prosecute the Government's case. During the year 12,805 hearings, including reopened hearings, were conducted.

Service representatives before the Board of Immigration Appeals.—The Board of Immigration Appeals is the appellate level for deportation and exclusion cases, administrative fines, visa petitions, and bail matters. Two Service attorneys represent the Service before the Board. They made 277 appearances in oral argument in contested matters before the Board and reviewed 1,373 cases received by the Board.

Private bills.—There were 2,285 private bills introduced during the last fiscal year. This represents an even flow, as 2,207 bills were introduced in the comparable 1st session of the 87th Congress. The major source of private bills continues to be oversubscribed quotas. During the last fiscal year, 1,170 full reports and 859 supplemental reports were submitted to Congress. It enacted 190 private bills.

Program outlook

Deportation.—The rise in required departures during the past year was due mainly to crewmen problems. With the number of temporary visitors to the United States continuing to rise, a slight increase in deportation proceedings may be anticipated. If the importation of Mexican agricultural laborers is not continued there will undoubtedly be an increase in illegal entries and thus the required departure figure will remain high.

Detention.—Any increase in required departures because of an expected increase in illegal border crossings in the Southwest will also bring about an increase in detention in that area. Should transportation from Cuba become available, an increase in Cuban detentions will take place.

Unexecuted final orders of deportation.—The number of unexecuted final orders of deportation rose from 5,167 on June 30, 1962, to 6,330 on June 30, 1963. This unexpected increase is due almost entirely to a situation in the New York area involving aliens from the Dominican Republic. Many of these aliens entered as visitors during the Trujillo regime or shortly thereafter. Because of the unsettled conditions in the Dominican Republic, they were granted liberal extensions of their visitor status. When the situation in their home country changed they were given a reasonable period to return there, and upon their failure to do so, deportation proceedings were instituted. They have been given an opportunity to obtain required visas from Canada, resulting in a temporary stay in the execution of the orders of deportation. As these cases are adjusted, the number of unexecuted orders of deportation will drop. The table on the following page shows the number of unexecuted orders pending at the end of the fiscal years 1959 through 1963.

	Unexecuted orders as of June 30—				
	1959	1960	1961	1962	1963
Completely ready for deportation	357	423	197	117	203
Unexpired voluntary departures after order	944	605	933	971	1,941
Deportation document application pending	705	621	538	440	290
In institutions	1,627	1,624	1,680	1,591	1,491
Suspensions not yet referred to Congress	16	2		8	185
Private bill stays	533	517	630	662	666
Litigation stays	187	290	379	263	151
Temporary stay for cause; sec. 243(h) applicants, etc.	1,290	1,630	1,392	1,115	1,403
Total unexecuted orders	5,659	5,712	5,749	5,167	6,330

Detention and deportation—Increase, $67,300

A. Statutory salary advancements		$36,400
B. Repairs and alterations, immigration stations		18,000
C. Passenger vehicle replacements (1)		1,900
Vehicle	$1,800	
Freight	100	
D. Office equipment for GSA projects		11,000
Total		67,300

A. *Statutory salary advancements.*—Increase, $36,400.

B. *Repairs and alterations, immigration stations.*—Increase, $18,000.

C. *Passenger vehicle replacements.*—Increase, $1,900.

D. *Office equipment for GSA projects.*—Increase, $11,000.

The total amount requested for each of the foregoing items is tabulated in detail and justified in full in that part of the justifications dealing with multi-activity items. The increase referred to here represents the applicable portion chargeable to the detention and deportation activity.

Force and workload: Naturalization

	Actual			Estimate	
	1961	1962	1963	1964	1965
Positions:					
Supervisory	23	27	29	29	29
Officers	168	183	186	188	188
Clerical	235	240	230	230	230
Custodial					
Central office	19	19	18	18	18
Total permanent positions	445	469	463	465	465
Average permanent employees	415	434	437	432	429
Average number of all employees	423	440	442	437	434
Workload (production):					
Applications, petitions for naturalization (N-400, 402)	189,923	175,446	162,986	170,000	175,000
Petitions filed with the courts	138,718	129,682	121,170	126,100	129,200
Recommendations to courts	137,051	132,577	128,267	129,500	132,000
Persons naturalized	132,815	127,808	124,485	125,300	127,100
Applications, derivative citizenship certificates (N-600)	42,283	42,697	46,433	46,500	46,700
Miscellaneous nationality applications (N-565, 577, 585)	9,317	8,846	8,759	8,800	8,900
Applications, declarations of intention (N-300)	17,878	16,463	15,767	15,000	15,000
Declarations filed with courts	15,921	15,120	14,478	14,500	14,500
Aliens referred to public schools	99,328	105,254	124,215	142,000	142,000
Citizenship textbooks distributed	191,931	205,893	151,859	180,000	180,000

3. Naturalization

Appropriation base	$4,211,400
Budget estimate	4,259,600
Increase in the budget estimate from the appropriation base	48,200

Work in this activity includes:

The examination of aliens and their witnesses to determine whether the aliens are qualified to file petitions for naturalization; the preliminary examination of applicants (after petition is filed) and the presentation of facts and recommendations to naturalization courts; the processing of miscellaneous types of nationality applications; administration of the citizenship education program; and related activities.

Previous year performance

The naturalization workload.—While the statistics for the fiscal year 1963 disclose a decreased workload, compared to the fiscal year 1962, in the naturalization area, the volume remained substantial since applications to file petitions for naturalization completed in the previous 3 fiscal years were unusually high.

The total of 121,170 petitions filed during the fiscal year 1963 was proportionately higher in relationship to the volume of applications than the total for the fiscal year 1962. There were 14,703 applications pending at the end of the fiscal year 1963, compared to 18,094 applications awaiting disposition at the termination of the previous year.

During the past year naturalization petitions were generally ready for consideration by the naturalization courts at the next regularly scheduled final hearings, and a total of 124,485 persons were admitted to citizenship, exceeding by several thousands the annual totals for all but two of the preceding 5 years.

The demand for a declaration of intention to become a citizen continued to be substantial during 1963. This document, although no longer a prerequisite for naturalization, is frequently required in order to engage in various professions, obtain certain types of employment, or secure the issuance of permits or licenses under State statutes. There was a 4-percent reduction in the number of declarations filed in court during the fiscal year 1963, as compared with the fiscal year 1962. The fact that a declaration of intention is no longer a condition for enlistment in the Armed Forces of the United States accounts principally for the reduced figure.

Certificates of citizenship.—Compensating to a degree for the smaller volume in the naturalization area during the fiscal year 1963 was the unusually heavy derivitive citizenship workload. As compared with 1962, when 42,697 certificate applications were completed, in the fiscal year 1963 there were completed 46,433 applications submitted by persons who sought certificates based upon the derivation or acquisition of U.S. citizenship through the naturalization of a parent or parents, through marriage, or at birth abroad to citizen parents. This volume materialized despite the slackened naturalization flow which generally tends to produce a proportionate reduction in derivative casework. The Service practice of notifying newly naturalized persons by mail of the derivative rights of their children and the handling of applications for servicemen's dependents at military stations in the United States, for the mutual benefit of all concerned, undoubtedly made a material contribution to the expansion.

Miscellaneous nationality applications.—The Service has authority to replace certificates of naturalization and citizenship and declarations of intention that have been lost, mutilated, or destroyed. In addition, when names have been legally changed, replacement documents can be issued in the new name. The issuance of special certificates of naturalization to be used by naturalized citizens in obtaining recognition as such by foreign states is also an authorized function of the Service. There is also statutory authority for the issuance of certifications from naturalization and citizenship records and documents for use in compliance with state and Federal statutes and in judicial proceedings, or where they are to be used for some other legitimate purpose. 8,759 such applications were completed during the fiscal year 1963.

Program outlook

Naturalization workload.—Naturalization workload estimates indicate a volume for the fiscal year 1964 surpassing that of 1963, with a further proportionate rise in the fiscal year 1965.

Aliens generally become eligible for naturalization after they have resided in the United States for the prescribed statutory period of 5 or 3 years following their admission as immigrants. Thus, the immigration flow of the past has a direct relationship to the naturalization potential of the future, and where the number of immigrants has increased from year to year, naturalization volumes may reasonably be expected to rise proportionately in the years ahead. A principal source of naturalizations during the next 2 fiscal years will be the immigrants who entered the United States during the period 1959 to 1962. 7,421 more immigrants entered this country in 1959 than in 1958, and further annual increases of 4,712, 5,946, and 12,419, were recorded during the other 3 years of the relevant period.

A second factor in predicting the naturalization workload is the extent to which the potential of the past has not been realized and may become active in the future. At the beginning of the 1963 fiscal year, 825,364 aliens comprised the unused potential of years gone by. Part of this potential cannot and probably never will be able to satisfy the educational requirements for naturalization. However, in view of the constant effort of the Service to improve its educational programs and the facilities for the education of the foreign born, it would be unrealistic to assume that the majority of this tremendous number of potential naturalization candidates will fall within this category. Furthermore, by the end of the fiscal year 1963, the unused potential had increased by more than 75,000. Few of these aliens are members of the dormant segment mentioned, and it is reasonable to expect that many of them will enter upon the naturalization scene during the coming fiscal years.

There are other indications which point to an augmented naturalization workload in the immediate years ahead. As compared with the fiscal year 1962, the number of aliens referred to the public schools during the fiscal year 1963 increased by 18,961. Consequently, there will be a greater number of aliens educationally prepared to proceed with naturalization in 1964, than there were in 1963. During the period 1959 to 1962 there was an annual increase in the number of aliens granted permanent residence under the various adjustment and suspension procedures and by private legislation. These prospective applicants, 68,249 in number, will also contribute to the somewhat larger workloads expected in the 1964 and 1965 fiscal years.

The volume of citizenship certificate applications during the next 2 fiscal years will continue at the high level of 1963. In part, derivative citizenship is a byproduct of naturalization, and the slight increase anticipated in that activity will tend to sustain the volume in the other. Aside from this consideration, the continuance of world tensions, the continued presence in large numbers of servicemen and their wives overseas, and the apparent ever-increasing desire of American parents to protect the status of their children born abroad represent other factors which point to a continued heavy demand for certificates of citizenship. To assure full realization of the potential, the Service will continue to notify newly naturalized citizens of the derivative rights of their children and to hear the applications of servicemen's dependents at military bases. Should pending legislation authorizing the issuance of certificates in the Canal Zone be enacted into law, the volume in this area will be considerably greater since there are now approximately 4,000 U.S. citizens in the Canal Zone who would be eligible to receive the documents.

Naturalization—Increase, $48,200

A. Statutory salary advancements		$31,800
B. Passenger vehicle replacements (2)		3,700
Vehicle	$3,400	
Freight	300	
C. Repairs and alterations, immigration stations		1,700
D. Office equipment for GSA projects		11,000
Total		48,200

A. *Statutory salary advancements.*—Increase, $31,800.
B. *Passenger vehicle replacements.*—Increase, $3,700.
C. *Repairs and alterations, immigration stations.*—Increase, $1,700.
D. *Office equipment for GSA projects.*—Increase, $11,000.

The total amount requested for each of the foregoing items is tabulated in detail and justified in full in that part of the justifications dealing with multi-activity items. The increase referred to here represents the applicable portions chargeable to the naturalization activity.

Force and workload: Border Patrol

	Actual			Estimate	
	1961	1962	1963	1964	1965
Positions:					
Supervisory	7	7	8	8	8
Officers	1,698	1,680	1,630	1,508	1,508
Clerical	163	166	161	161	161
Custodial	80	80	76	76	76
Detention officers			1	1	1
Central office	21	21	20	20	20
Total permanent positions	1,969	1,954	1,896	1,774	1,774
Average permanent employees	1,752	1,802	1,711	1,653	1,642
Average number of all employees	1,761	1,811	1,717	1,659	1,648
Workload:					
Persons apprehended	30,209	30,686	39,885	48,500	52,800
Smugglers of aliens	(284)	(349)	(348)	(350)	(350)
Deportable aliens	(29,384)	(29,897)	(38,861)	(47,600)	(51,900)
Other law violators	(1,083)	(789)	(1,024)	(900)	(900)
Seizures:					
Automobiles	71	85	166	170	170
Other conveyances	17	33	21	25	25
Value of all seizures	$353,181	$582,381	$339,270	$400,000	$400,000

4. BORDER PATROL

Appropriation base	$17,109,300
Budget estimate	18,679,500
Increase in the budget estimate over the appropriation base	1,570,200

This activity includes:

The prevention of smuggling and unlawful entry of aliens into the United States; the apprehension of persons guilty of such violations; guarding the international boundaries, the Gulf and Florida coasts, and keeping under surveillance a number of airports and seaports.

Previous year performance

Program accomplishments.—The severe drought in the agricultural areas of northern and central Mexico, reported last year, continued to create an unusually high unemployment level. Large numbers of Mexican citizens migrated to northern border areas where they congregated in hopes of obtaining work, resulting in increased pressure being exerted by potential illegal entrants to gain entry and obtain employment. Chronic unemployment in some areas of Canada was likewise the principal cause of increased illegal alien activity on the Canadian border. While the workload figures indicate increased activity along the southern and northern borders in nearly all areas of the operation, control of the border was successfully maintained.

During the past fiscal year 39,885 persons were apprehended by the Border Patrol. Included in this total were 38,861 deportable aliens, 348 smugglers of aliens, and 1,024 violators of various other Federal, State, and local laws. Violators of other laws were turned over to appropriate law enforcement agencies having jurisdiction.

There was a 46 percent increase in entries without inspection, from 14,749 to 21,533, the greater portion of which were Mexican aliens found in the Southwestern United States. Although officers worked under considerable pressure because of increased surreptitious entries in that area, 49 percent of the sur-

reptitious entrants across the Mexican border were arrested at the time of entry. There was also an increase in the number of aliens smuggled into the United States. During the year, 751 smuggled aliens were located, as compared to 545 during the fiscal year 1962.

Service officers were alerted on several occasions to assist U.S. Marshals in carrying out their responsibilities in enforcing court orders relating to civil rights, to protect public property, and to preserve the peace in certain areas. A special force of officers was trained in procedures necessary to carry out these functions. A number of officers performed duties at Oxford, Miss., during September 1962, and at Tuscaloosa and Huntsville, Ala., during June 1963.

Northern border operations.—There was an increase in the number of aliens located along the Canadian border, from 4,660 in the fiscal year 1962 to 5,317 in the fiscal year 1963. Most of this increased activity was in the eastern portion. Areas of chronic unemployment adjacent to the border had a substantial influence upon illegal entry. Unemployed workers were particularly anxious to work in the United States because of the higher wage scales and because payment was in U.S. currency, which amounted to an 8-percent bonus. One instance of the added pressure occurred during the 1962 potato harvest when many laborers congregated in border towns and then crossed into the United States. One-fourth of the 152 deportable aliens, located by a task force operation in the Maine potato harvest, had criminal records.

There were no successful crewmen desertions in the U.S. section of the canal and St. Lawrence River during the 1962 season. However, 261 crewmen deserted in eastern Canadian ports posing an illegal entry threat for the United States. Seven of these were in fact found in the United States after illegal entry. As a further means of control, officers in the Ogdensburg, N.Y., sector boarded 270 ships in the Massena Locks and verified the departures of 883 crewmen who had been ordered detained on board to prevent their desertion.

Mexican border.—Illegal entry by aliens across the Mexican border increased markedly; 32,568 border violators were found in Southwestern United States, the highest since the fiscal year 1958. In order to locate those aliens who had evaded our forces on the border, periodic sweeps by small groups of officers were made in border agricultural areas and, as conditions on the borders permitted, task force operations were conducted in interior areas where illegal aliens congregate. During the first 6 months of the fiscal year, seven such operations in the Bakersfield, Calif., area, over 200 miles from the border, resulted in the apprehension of 252 deportable aliens.

During July and August of 1962 in the lower Rio Grande Valley of Texas, surreptitious entries across the border increased 34 percent over the entries for that period during the previous year. A large number of these violators are transported by contract airlift to Leon, Guanajuato, or by bus to Presidio, Tex., where they are transferred to trains at Ojinaga, Mexico, provided by the Mexican Government. The following chart of aliens airlifted shows that only a small percentage of the total aliens so removed have returned illegally each year.

Fiscal year	Cumulative total airlifted since inception	Total number of aliens so removed who reentered United States illegally each year	Percentage of cumulative total who return illegally each year
1958	6,251	256	4.5
1959	15,073	708	4.6
1960	21,398	738	3.4
1961	27,941	944	3.4
1962	34,521	1,361	3.9
1963	45,081	2,137	4.7

Alien smuggling increased along the Mexican border requiring additional emphasis on operations designed specifically to prevent such activity. The exploitation of aliens by smugglers is common. In one case, a smuggler who was a labor contractor collected $2.25 per hundredweight for cotton picked by his smuggled crew of 33 deportable aliens, and retained one-third of it. In another case, the contractor received $2.50 per hundredweight, and paid $2 to the illegal

aliens working for him. However, pickers in Mexican areas were receiving an average of only $0.75 per hundredweight. A field boss for another labor contractor assisted 37 aliens to obtain Mexican passports and visas to enter the United States as visitors, and chartered a bus to take them to Tijuana. An alert inspector learned subsequently of the possibility of the fraud and, as a result, Service investigators and patrol inspectors took 24 status violators into custody near Bakersfield, Calif., and prosecution of the field boss was initiated.

Observation aircraft are assigned to all sectors along the Mexican border. They are used to patrol the border area, to spot secluded fields where aliens work, and to locate hidden campfires after dark. During the year, observation aircraft assisted in locating 4,031 deportable aliens by directing ground forces to suspects they had observed.

Florida and gulf coastal areas.—The number of deportable aliens located in the Florida and gulf coastal areas varied little from the preceding year, although marked decreases in alien smuggling cases and in surreptitious entries were noted. This was due, in part, to tighter departure controls placed in effect in Cuba. Because of the maritime strike, fewer crewmen entered the strike-bound ports and, as a consequence, fewer deportable crewmen were found.

Canadians who enter as nonimmigrants and later violate the conditions of their admission continue to be a problem in the Florida area, and a high percentage of them have criminal records. The arrest in December 1962 of two Canadian bank robbers by Service officers in Miami was made possible through the rapid exchange of information between the Royal Canadian Mounted Police and the Service.

A special program activated in November 1959 to prevent the unauthorized departure of private aircraft from the United States to or over Cuba continued and 10 notices of prevention of departure were served bringing the total now in effect to 295.

False claims to citizenship.—During the past 5 years, the records in the Fraudulent Document Center in El Paso, Tex., have grown until they now contain documents highly valuable in law enforcement. As of June 30, 1963, reports had been submitted in 7,849 cases where it was proven that Mexican aliens used documents to back up false claims to American citizenship. Last year, 1,027 new cases were added to the files.

Program outlook

Canadian border.—Substantial increases are expected in illegal alien activities during the fiscal years 1964 and 1965. This is indicated by a continuing upward trend in the number of violators found in the eastern portion of the area since 1960, marked increase in the population of western Canada, and indications that construction work in the United States, particularly highway construction, will be expanded. The devaluation of the Canadian dollar, coupled with chronic unemployment, will continue to be a factor. Crewman desertions in Canada will continue, and it is expected that crewman control problems in the St. Lawrence Seaway area will remain fairly constant.

Mexican border.—Drought conditions in certain areas of Mexico have been alleviated to some extent. However, other conditions point toward increased apprehensions.

Public Law 78, under which Mexican farm and ranch workers are brought to the United States, will expire December 31, 1964. If other procedures under the regular Immigration and Nationality Act are not employed to import agriculture workers, there will exist a potentially serious enforcement problem for the Service. Although the number of imported workers has been reduced gradually in recent years, there still was a substantial number brought into the United States during the past year. These many thousands of workers, who were formerly gainfully employed in the United States, will undoubtedly exert considerable pressure along the border to return to their former jobs if they are not permitted to enter legally.

If the situation which existed in the lower Rio Grande Valley during cotton-picking seasons of 1960, 1962, and 1963 is indicative, then an estimate that 40,000 deportable aliens will be picked up in the Mexican border area during the fiscal year 1964, and that 45,000 will be found in 1965, is not unrealistic. Plans for the shifting of border patrol forces along the border and the detailing of officers from other Service functions into the areas, depending on the volume and areas of increased activity, are kept current. Implementation of such countermeasures, as necessary, will serve to control any upsurge of illegal border crossings which might arise.

Florida and gulf coastal areas. The political and economic factors prevalent in the Caribbean and Central American areas during the past few years will undoubtedly continue to be critical. These factors will affect alien smuggling and illegal entry into the area.

During the first 6 months of the fiscal year, 1,386 persons fled in open boats from Cuba to Florida. As long as conditions do not improve and there are boats to be used, there will be no lessening of this activity. Continuation of other unlawful activities, such as smuggling of war materials from the United States and participation of refugees in hit-and-run raids on Cuba, are expected. Political crises in Haiti and the Dominican Republic may well complicate the situation. Moderate increases in shipping in the area will result in some increase in crewman desertions. A moderate increase in workload is consequently predicted for the area.

As reported last year, obligations imposed by the enforcement of departure control for persons destined to or over Cuba is being fulfilled with a reduction in the fiscal year 1964 of 122 officers. Responsibilities will be assumed by the regular force, supplemented, as required, by the regular force of immigrant inspectors and investigators.

BORDER PATROL—INCREASE, $1,570,200

A. Passenger vehicle replacements (126):		
Vehicles	$218,000	
Freight	17,700	
		$235,700
B. Statutory salary advancements		109,300
C. Repairs and alterations, immigration stations		78,600
D. Truck replacements (134):		
Vehicles	$377,900	
Freight	26,800	
		404,700
E. Aircraft replacements (5)		76,500
F. Radio system renewal		234,500
G. Border Patrol Stations		290,000
H. Emergency power generators		140,900
Total		1,570,200

A. *Passenger vehicle replacements.*—Increase, $235,700.
B. *Statutory salary advancements.*—Increase, $109,300.
C. *Repairs and alterations, immigration stations.*—Increase, $78,600.

The total amounts requested for each of the foregoing items are tabulated in detail and justified in full in that part of the justifications dealing with multiactivity items. The increases referred to here represent the applicable portions chargeable to the border patrol activity.

D. *Truck replacements (134).*—Increase, $404,700. Operations of the Border Patrol require the support of a fleet of trucks. The mileage record of the fleet as of June 30, 1964, will be approximately as follows:

Model	Age-years	Number of vehicles	Average mileage
1964	1	125	5,000
1963	2	98	20,000
1962	3	110	45,000
1961	4	132	55,000
1960	5	50	68,000

Funds are requested for 134 replacements out of the estimated 276 which will fall within General Services Administration replacement schedules during 1964. The net cost of the 134 replacements is computed as follows:

	134 Trucks	
	Unit	Amount
Vehicles, gross	$2,930	$392,600
Sale of old vehicles	−110	−14,700
Vehicles, net	2,820	377,900
Freight	200	26,800
Total	3,020	404,700

E. *Aircraft replacements (5).*—Increase $76,500. The Border Patrol operates 26 light aircraft and 6 transport aircraft in its mission of guarding and controlling the borders. The transport aircraft were obtained from the military services as surplus at no cost to the Service. The light aircraft are assigned to stations on the Mexican and Canadian borders for mobile aerial observation points from which to keep large areas of the border and adjacent territory under surveillance during daylight hours. Persons observed entering the United States illegally, or persons observed whose tracks indicate that they have entered at a place other than a designated port of entry, are reported by radio communication to officers in ground vehicles. While awaiting the arrival of such officers, the pilot maintains surveillance of the persons and if necessary gives radio directions to bring the officers into a position to intercept. Aircraft assigned to the Florida and Gulf of Mexico coast areas are used to check airports to detect illegal entries by aircraft and to prevent the departure of private aircraft to and over Cuba. Transport aircraft are used to speed large numbers of deportable aliens to points along the borders from which they may be expelled expeditiously.

The Cessna 310, a C–45, and the two de Havilland Beaver aircraft are of a type which will not require normal replacement for a number of years. A replacement standard of a maximum of 4 years has been established for the remaining 22 observation-type aircraft. As these aircraft are flown in close proximity to the ground for a major portion of the time while being operated, operation beyond the standard established might result in internal structural metal fatigue while in flight. Such metal fatigue could cause a failure which, at low-altitude flight, would undoubtedly result in a accident. For this reason, and to promote a continued efficient operation which results when a pilot has a sense of security because of his belief in the complete airworthiness of his aircraft, these aircraft must be replaced in accordance with the standards.

Replacement of five observation aircraft will be required during the fiscal year 1965 as shown by the following table of observation aircraft in use on June 30, 1964:

Observation aircraft	Number of planes	Years—Age	Replace in fiscal year 1965
In use June 30, 1964	8	1	
Do	4	2	
Do	5	3	
Do	5	4	5
Total	[1] 22		5

[1] Does not include two de Havilland Beavers, one Cessna 310–D, and one Beechcraft C–45, not to be replaced.

The aircraft to be replaced are as follows:

Identification number	Make	To be replaced by—
N9866Y	Champion	Piper Super Cub.
N9881Y	do	Do.
N9867Y	do	Do.
N9865Y	do	Do.
N9866T	Cessna 182	Cessna 182.

The Piper Super Cubs, to be purchased will each cost $14,500, equipped. After deducting $500 for the sale of the old planes, the net unit price will be $14,000, thus the total replacement cost will be $56,000.

The Cessna 182, to be purchased, will cost $21,000, equipped. After deducting $500 for the sale of the old plane, the net unit price and replacement cost will be $20,500.

F. *Radio system renewal.*—Increase, $234,500. The implementation of UHF into the FM mobile system of the Service has been most satisfactory in providing improved service. The UHF systems do not have the long time delays between sending and receiving; nor do they have the interfering "lockups" or "ringing" which occurred before. Another UHF multiplexer system will be installed in the Detroit sector in order to fill in coverage along the northern border. The multiplex system was chosen for this sector because of the need to break the FM coverage into groups in normal operations.

Other wide-band UHF two-unit repeaters will be used to help fill in coverage in present UHF systems and to free VHF repeaters for use elsewhere. With sectors obtaining better coverage with the UHF systems, it will soon become possible to start connecting the FM systems of adjacent sectors so that there will be complete radio communication between them which will permit better coordination.

Narrow band UHF two-unit repeaters are for installation in sectors where the advantages of UHF are required, as in preventing "lockups," but where the advantages of the multiplex system are not necessary.

The use of duplexers has been most satisfactory. The decreased maintenance cost of the antenna and transmission line that it replaces, as well as the increased performance of the single antenna, make it extremely worthwhile to continue such installations.

Lightning resistant VHF antennas will replace present antennas as they are damaged by lightning.

Narrow-band kits for the FM equipment, necessary to complete the conversion initiated in the fiscal year 1964, will reduce the bandwidth of FM signals in compliance with the standards set by the International Telecommunications Convention at Berne, Switzerland.

FM aircraft sets are of the newer lightweight type for gradually phasing out the heavier sets presently in use. Such weight improvement is quite critical in light aircraft.

Single sideband receivers, transmitters, and HF antennas are required for replacement of sets which are excessively old and obsolete, and to update the HF net. FM mobile sets will also be required to replace sets which become too old to be operated economically.

Various kinds of test sets are necessary to keep the radio equipment in peak operating condition.

Charts showing equipment location assignments appear on the following pages.

Radio system renewal

Location	UHF base station	UHF repeaters				Towers	Feet of RF line	UHF duplexers	FM aircraft sets	Narrow-band kits
		WB U–4	WB U–2	NB U–2	Chassis					
Detroit	1	3		2	2	3	3,500	8		
New Orleans		2	4			1	1,100	8		
Port Isabel			3	4		1	1,300	2		
Havre				2				2		
Grand Forks				2						
Miami				4						
Laredo										
Houlton										
Buffalo										
El Centro										
El Paso										
Del Rio										
Livermore						1	1,100			
Mc Allen										
Yuma										
Northeast region										150
Northwest region										250
Southwest region									5	450
Southeast region										150
Quantity	1	5	7	14	2	6	7,000	20	5	1,000
Unit cost	$15,000	$5,000	$3,000	$1,500	$750	$5,000	$1.30	$500	$800	$10
Total cost	$15,000	$25,000	$21,000	$21,000	$1,500	$30,000	$9,100	$10,000	$4,000	$10,000

Location	UHF antennas	VHF duplexers	VHF antennas	HF receivers	SSB X-MTR	HF antennas	FM mobiles	Test sets	Photo-electric systems and consoles	Total
Detroit	8			1						61,370
New Orleans	8									34,350
Port Isabel	2			1	1					27,070
Havre	2									4,480
Grand Forks					1					5,500
Miami				1	1					9,900
Laredo					1					2,500
Houlton					1					2,500
Buffalo				1						1,400
El Centro				1						1,400
El Paso				1						1,400
Del Rio				1						1,400
Livermore				1						7,830
McAllen				1						1,400
Yuma				1						1,400
Northeast region		13	5			3	4	2	2	15,265
Northwest region		7	8			5	4	5	1	15,500
Southwest region		15	5			9	8	4	2	28,345
Southeast region		7	2			3	4	3	1	11,490
Quantity	20	42	20	10	5	20	20	14		
Unit cost	$240	$500	$175	$1,400	$2,500	$230	$550	$750		
Total Cost	$4,800	$21,000	$3,500	$14,000	$12,500	$4,600	$11,000	$10,500	$6,000	
Grand total										$234,500

G. *Border patrol stations*—Increase $290,000. The efficiency of border patrol operations, the problems of which are growing more acute, are effected considerably by the design and location of facilities housing patrol units and the officers assigned to those units. Locations must be reasonably free of radio communications interference; parking space with immediate accessibility for patrol vehicles must be provided; there should be space for private interrogations; and it is necessary to have provisions for temporarily holding law violators. There are 24 border patrol projects in the long-range program scheduled for construction under the authority available to the Immigration and Naturalization Service (The act of June 26, 1930, as amended). Four projects are planned for the fiscal year 1965; five in 1966; five in 1967; five in 1968; and five in 1969. The 1965 border patrol station construction program is summarized hereunder:

Location	Cost of station	Cottages		Appliances	Total cost
		Number	Amount		
Browning, Mont.	$40,000	3	$60,000	$3,750	$103,750
Presidio, Tex.		5	100,000	6,250	106,250
Sonora, Tex.	40,000				40,000
Wolf Point, Mont.	40,000				40,000
Total	120,000		160,000	10,000	290,000

1. *Browning, Mont.:* The present leased station is poorly located (next door to a State liquor store). It lacks essentials such as detention room, interview room, and supervisor's office for questioning informers or suspects separately. It lacks contiguous parking and garage facilities. No other space is available. Four officers are assigned to the station. It is proposed to construct a new station having the required minimum facilities, including an attached garage for Government vehicles.

Privately owned rental housing is practically nonexistent. The few such units that occasionally become available are substandard and high rental rates are charged. Other agencies in the area, the Bureau of Indian Affairs and the U.S. Public Health Service, provide Government-owned housing for their employees. It is proposed to construct three cottages for rental to border patrol officers.

2. *Presidio, Tex.:* Housing units are desperately needed for border patrol officers assigned to this location. Presidio is located on the Rio Grande River. Most of the houses are substandard and few rental units are available. Because most residents are in a low income category there has been no interest in the construction of rental housing. The Presidio border patrol station has had to be designated by the Border Patrol as a hardship station primarily because of the critical housing situation. The station has a complement of 12 officers. It is proposed to construct five cottages at this location.

3. *Sonora, Tex.:* The present station is in leased space in the city hall. The central location is a detriment to operations, especially with regard to handling apprehended persons and availability to informers. There are no facilities for the temporary detention of aliens. The tenure of occupancy is limited and no other suitable space is available. Twelve officers are assigned to the station. It is proposed to construct a new station having the required minimum facilities, including a garage for Government vehicles.

4. *Wolf Point, Mont.:* The present station is located in unsatisfactory rented space on the second floor of a lodge hall. The entrance to the office is just off the foyer to the main dance floor and bar, which provide a questionable atmosphere for the conduct of official Government business. No other suitable space is available. Three officers are assigned to the station. A new station having the required minimum facilities, including an attached garage, will be constructed.

H. *Emergency power generator equipment.*—Increase, $140,900. Emergency power generators are required at certain border patrol sector headquarters not now adequately equipped, as well as at radio repeater sites. The maintenance of vital communication links provided through radio repeater stations, usually in isolated locations, is dependent upon the availability of emergency power supplies. The success of operations, including control of the borders, depends to a great extent upon the communication system. Immediate communication is frequently necessary for the protection of officers, particularly when they are

working alone to conserve manpower. The continued operation of essential service functions at certain key locations, such as border patrol sector headquarters at Laredo, Marfa and McAllen, Tex. and El Centro, Calif., requires that standby electrical power be available for use during periods when public utility lines fail and in the event of a national emergency. Each installation will be equipped with automatic changeover accessories so that the generators will start if and when the regular electrical supply is interrupted. The cost will vary considerably with the size and location of the installation. Installation of emergency power generator equipment in the fiscal year 1964 is planned for alien detention facilities at three locations and at three of the border patrol sector headquarters. The cost of the 1964 phase of the program will be $75,900. It is proposed to install the equipment at the most critical locations, listed on the following page, during the fiscal year 1965 at an estimated cost of $140,900. (Similar installations are programed for the fiscal year 1966 at a further estimated cost of $33,200.)

Border Patrol sector headquarters:	
Laredo, Tex	$12,000
Marfa, Tex	12,000
McAllen, Tex	12,000
Radio repeater stations:	*Estimated cost*
Cunningham Peak, Ariz	850
Pilot Knob, Ariz	850
Reservoir Hill, Ariz	1,740
Saddle Gap, Ariz	2,300
Telegraph Pass, Ariz	850
Boulder Park, Calif	886
Santiago Peak, Calif	898
Miami, Fla., area (8 locations)	9,168
Bonners Ferry, Idaho	1,520
Dawson Ridge, Idaho	1,520
New Orleans, La., area (3 locations)	3,438
Bald Mountain, Maine	775
Greenville, Maine	775
Lincoln, Maine	775
Madawaska, Maine	775
Musquash, Maine	775
Presque Isle, Maine	775
Tolman, Maine	775
Eckerman, Mich	1,520
Baudette, Minn	1,520
Greenbush, Minn	1,520
Isabella, Minn	1,520
Loman, Minn	2,316
Warroad, Minn	1,360
Alabama Butte, Mont	1,301
Big Mountain, Mont	1,520
Chief Mountain, Mont	1,520
Fort Peck, Mont	1,301
Mount Royal, Mont	1,301
Mount Centennial, Mont	1,301
Scobey, Mont	1,301
Sioux Pass, Mont	1,520
Arkwright, N.Y	775
Radio repeater stations;—Con.	*Estimated cost*
Buffalo, N.Y	850
Cambria Center, N.Y	775
Watertown, N.Y	775
West Hill, N.Y	775
White's Hill, N.Y	775
Bear Butte, N. Dak	1,520
Calio, N. Dak	2,370
Lostwood, N. Dak	1,520
Milton, N. Dak	1,520
Abney, Tex	1,380
Animas, Tex	1,100
Artesia Wells, Tex	2,236
Caballo, Tex	1,036
Carlsbad, Tex	1,211
Chinati, Tex	825
Longfellow, Tex	825
Lyford, Tex	1,380
Mount Franklin, Tex	8,536
Nine Point Mesa, Tex	825
Ord Mountain, Tex	825
Quitman, Tex	1,036
Randado, Tex	2,236
Mounumental Mountain, Wash	1,520
Carrizo Springs, Tex	1,300
Eagle Pass, Tex	1,300
Freer, Tex	2,236
Juno, Tex	1,370
Long Ridge, Tex	1,036
Ozona, Tex	1,300
Riviera, Tex	1,380
Silver City, Tex	1,036
Sonora, Tex	1,300
Uvalde, Tex	1,300
Winnie, Tex	1,380
Derby Line, Vt	775
Bellevue Hill, Vt	775
Colville, Wash	1,520
Total	140,900

Force and workload: Investigating aliens' status

	Actual			Estimate	
	1961	1962	1963	1964	1965
Positions:					
Supervisory	52	54	52	52	52
Officers	751	761	785	782	782
Clerical	339	336	341	341	341
Detention officer			4	4	4
Custodial	1	1	2	2	2
Central Office	30	31	30	30	30
Total permanent positions	1,173	1,183	1,214	1,211	1,211
Average permanent employees	1,133	1,133	1,182	1,128	1,118
Average number of all employees	1,140	1,143	1,194	1,140	1,130
Workload, investigations:					
Subversive (total)	3,468	4,932	5,733	5,825	5,825
Revocation	137	259	152	175	175
Deportation	1,057	1,516	1,193	1,435	1,435
Applicant for admission	1,645	1,505	2,208	2,415	2,415
Naturalization	629	1,652	2,180	1,800	1,800
Criminal, immoral, and narcotic (total)	6,785	6,751	8,123	8,460	8,460
Revocation	63	75	98	110	110
Deportation	3,268	3,106	3,109	3,600	3,600
Applicant for admission	3,454	3,570	4,332	4,090	4,090
Naturalization	(1)	(1)	584	660	660
General (total)	38,680	32,057	58,808	50,343	51,343
Revocation	176	223	226	278	278
Naturalization	2,628	3,152	2,605	2,500	2,500
Other naturalization and citizenship	497	563	583	565	565
Document fraud	2,741	3,931	4,729	4,850	4,850
Deportation	12,190	10,397	31,028	23,500	23,500
Applicant for admission	9,545	4,861	5,302	5,100	5,100
Smuggling	357	277	544	575	575
Investigation looking toward prosecution	801	805	2,295	2,250	2,250
Private bill	2,249	1,499	2,377	1,500	2,500
Parole and abscondees	3,549	3,902	5,697	5,400	5,400
Character investigations (other than naturalization)	1,503	1,236	2,100	2,575	2,575
Miscellaneous	2,444	1,211	1,322	1,250	1,250
Search (total)	7,667	6,896	[3] 11,832	12,175	12,175
Grand total	56,600	[3] 50,636	84,496	76,803	77,803

[1] Reporting system revised.
[2] Apparent increase in fiscal year 1963 results from revised reporting system effective July 1, 1962.
[3] Apparent decrease in fiscal year 1962 estimate results from revision of reporting requirements regarding auxiliary investigations.

5. *Investigating aliens' status*

Appropriation base	$12,914,000
Budget estimate	13,177,800
Increase in the budget estimate over the appropriation base	263,800

The categories of investigations are subversive, criminal, immoral, narcotic, and general. They are designed to obtain information in connection with citizenship revocation, deportation, applicants for admission, and naturalization petitioners in the various categories. General investigations also include those involving fraud, smuggling, prosecution, abscondees, private bills, character investigations, various citizenship applications, and other miscellaneous matters. Search operations, still another work category, are performed to locate aliens in the United States in violation of law. Related work includes the issuance of orders to show cause, record checks, liaison and informant development, prosecution and litigation activity and surveillance.

Previous year performance

Priority in the assignment of investigative manpower last year was given to the drive against criminals, racketeers, and subversives amenable to deportation or denaturalization proceedings. A great deal of attention was devoted

to investigations of fraudulent practices by which aliens seek to gain admission to or remain in the United States or to support false claims to United States citizenship. Emphasis was also given to investigations of aliens who had remained in the United States beyond the period of their temporary admission.

Approximately one-fourth of the investigative force was assigned to search investigations. These investigations result in the early location and expulsion of alien crewmen, stowaways, surreptitious entrants, and those who would otherwise remain in the United States unlawfully.

Anticrime operations.—There were two principal factors affecting the investigative program dealing with aliens and naturalized citizens who have engaged in criminal, immoral, and narcotic activities; the crime rate and increased travel. The national crime rate continued to rise. As foreign travel increased, so did the number of aliens who seek to enter the United States to pursue illicit activities. Exclusion and deportation proceedings are used to either bar entry or expel the aliens. The denaturalization process is directed against those who fraudulently or illegally procured citizenship. At the beginning of the year, 931 investigations of this type were pending, 8,281 were received, and 8,123 were completed during the year. The success of this work is demonstrated by the deportation of 678 aliens of the criminal, immoral, and narcotic classes.

Some important results of the Service's anticrime and antiracketeering program were: the expulsion of Gaetano Morgano, Gary, Ind., vice figure; the criminal conviction, for illegal reentry after deportation, of Ernesto Barese, international narcotic suspect; the institution of deportation proceedings against Anthony Thomas of Detroit, Mich., a convicted murderer; Thomas Fontanella, of Kansas City, Mo., a convicted kidnapper; and Joseph Thomas Traum, of Terre Haute, Ind., a gambling syndicate trial figure; all of whom had masqueraded as native-born U.S. citizens for many years. Deportation orders were secured in the cases of Nagel Jacob Maroon, a Kansas City, Mo., gambler, who had also masqueraded as a U.S. citizen, and Anthony Pino, key figure in the Brinks robbery at Boston. Pietro DeLisi, his son, Croce DeLisi, and Calogero Passalacqua, fugitives from justice, who were wanted in Italy on charges of murder, extortion, and kidnaping were deported. Denaturalization orders were entered against Anthony Peter Riela, an Apalachin "crime convention delegate," and Hugo Rossi, international drug trafficker. The latter is under deportation proceedings.

Information concerning the identities, whereabouts, and movements of foreign criminals is assembled in order to prevent their entry and locate any who might have surreptitiously entered the United States. During the past year, lookouts were posted on 3,364 of these criminal aliens. As a result, 21 were excluded when they applied for admission. In addition, 790 such aliens were located in the United States as a result of investigation and information furnished from liaison with law enforcement officials of contiguous countries.

Antisubversive operations.—This program is designed to protect the internal security of this country from the threat of foreign-born subversives.

Deported last year were Gus Polites, a Greek Communist functionary of Detroit, Mich.; Curt Leopold Ponger, convicted Soviet espionage agent; and Charles Sheriff Conway, an ultra-leftwing Communist propagandist from British Guiana.

Eng Let Poy, an admitted Communist Party member, Lam Sik Chau, suspected espionage agent, and his close associate, Chan Chung Fun, all returned to China while their cases were under investigation.

Service investigators secure and coordinate information concerning the identities and activities of subversive aliens in contiguous territory to preclude their entry into the United States.

Evidence was compiled under this program showing that the Central Campesina Independiente (Independent Farmers Central) was controlled and directed by the Communist Party of Mexico, and, thus, was an affiliate of an organization which proposes to establish communism in Mexico. Accordingly, it was found to be within the proscription of the Immigration and Nationality Act and its members excludable from the United States.

Nine persons were denied admission to the United States based upon information developed through the program. Among them were:

> Five members of a Canadian folk singer group, "The Milestones," who were scheduled to appear at a fundraising meeting of the People's World, Pacific coast Communist newspaper.

Elizabeth Jane Fordham, a resident of Vancouver, British Columbia, and an admitted Communist;

Manuel Bernal-Lopez, a member of the pro-Communist Partido Popular Socialista.

Caribbean investigation program.—This phase of the antisubversive program is concerned with information regarding persons of the subversive classes from the Caribbean area and Central and South America with a view to their exclusion or deportation. An index of all such information is maintained at Miami, Fla., the main gateway to these areas. These records, have not only proved of immense value to Service operations in the screening and checking of Cubans and other refugees, but are also used by other agencies.

A number of pro-Castro Cubans abandoned their permanent residence in the United States and returned to Cuba while under Service investigation. Among them were:

Jesus Alcala-Martinez and Vicente Luis Perez y Gonzalez, alleged propagandists for the Fair Play for Cuba Committee at Tampa, Fla.;

Antonio Denis-Jordan, an alleged Cuban G–2 agent in New York City;

Ignacio Fernandez-Sanchez, an alleged Castro agent in Bridgeport, Conn.

Immigration frauds.—Fraud investigations frequently involve inquiry into criminal conspiracies between aliens and other persons who, for gain, provide them the documentation needed to evade quota and other restrictions embodied in the immigration statutes.

Vincent A. Romano, a New York attorney, was indicted by a Federal grand jury on eight counts of arranging sham marriages, which American women entered into for $150 to $500, so that their Italian alien "husbands" could claim the nonquota status accorded the spouse of a U.S. citizen. Romano pleaded guilty to five of the counts and is now awaiting imposition of sentence.

Leo E. Ypsilanti, another New York attorney, was similarly indicted on nine counts. In this instance, the sham marriages benefited Greek and West Indian aliens.

The president of the Vavolizza Travel Agency, Salvatore Vavolizza, and three other persons, were included in a 73-count indictment handed down by the Federal grand jury, southern district of New York. The grand jury found probable cause to believe that they had arranged to secure, for exorbitant sums, fraudulent documentation to establish that certain aliens were highly skilled and hence eligible for first preference consideration under the quota.

The Mexican laborer, who seeks to migrate to the United States, frequently presents to the American consular officer an assurance from his prospective employer that he will have a full time, year around job. Some unscrupulous individuals, styling themselves as "immigration consultants," charge exorbitant fees for spurious, forged, or fraudulent offers of employment. As a result of Service investigation, Elmer R. Castrillo, an active "consultant," and two others associated with him were indicted by a Federal grand jury in Sacramento, Calif., and are awaiting trial. Their "fees" ranged from $300 to $500.

During the fiscal year, 4,907 investigations involving possible fraud were opened and 4,729 were completed.

Search investigations operations.—This program is one of the chief means by which deserting alien crewmen are returned to Service control. It has also been very effective in locating stowaways and other illegal entrants and in deterring nonimmigrant aliens from violating their status. As a result of these investigations, 11,832 aliens were found who were unlawfully in the United States.

Program outlook.

Anticrime operations.—Concerted investigative efforts will continue toward the deportation or denaturalization of major criminals and influential racketeers coming within the jurisdiction of the Service.

The border programs will be implemented resulting in the posting of additional lookouts on criminals who are likely to seek entry from adjacent countries. The rise in the national crime rate and increase in travel, particularly from areas of unrest in Central and South America, will require continued Service effort to cope with an estimated increase in the alien criminal problem.

Antisubversive operations.—Communism has been firmly established in Cuba during the past 4 years and that country is being used as a base for training cadres of Latin American revolutionaries in preparation for their projected takeover of the remainder of Latin America. Cuba has become the center of a vast network of Communist intrigue, with ramifications affecting nearly every country in this hemisphere.

The Service will continue to meet its responsibility in this and other areas of national security. Where indicated, additional experienced investigators will be assigned to secure supporting evidence for exclusion, deportation, or revocation proceedings.

To meet the increased subversive alien activity, the maintenance of close and effective liaison with security agencies, local law enforcement officials and oversea officers will be stressed. Also every effort will be made to increase the number and quality of Service informants and contacts who can provide information concerning subversive activities of Service interest.

Investigating Aliens' Status—Increase, $263,800

A. Statutory salary advancements		$91,100
B. Passenger vehicle replacements (85)		158,900
Vehicle	$147,000	
Freight	11,900	
C. Repairs and alterations, immigration stations		2,800
D. Office equipment for GSA projects		11,000
Total		263,800

A. *Statutory salary advancements.*—Increase, $91,100.

B. *Passanger vehicle replacements.*—Increase, $158,900.

C. *Repairs and alterations, immigration station.*—Increase, $2,800.

D. *Office Equipment for GSA projects.*—Increase, $11,000. The total amount requested for each of the foregoing items is tabulated in detail and justified in full in that part of the justifications dealing with multiactivity items. The increase referred to here represents the applicable portions chargeable to the Investigations activity.

Force and workload: Immigration and naturalization records

	Actual			Estimate	
	1961	1962	1963	1964	1965
Positions:					
Supervisory	15	15	14	14	14
Officers	17	25	19	19	19
Clerical	585	599	611	611	611
Detention officers	1	2	5	5	5
Custodial	2	2	2	2	2
Central office	157	164	199	199	199
Total permanent positions	777	807	850	850	850
Average permanent employees	720	760	793	791	788
Average number of all employees	836	862	859	837	849
Workload:					
Inquiries and callers at information desks	3,444,744	3,547,390	3,615,340	4,055,000	4,370,000
Incoming and/or outgoing mail	20,505,287	[1] 18,224,619	18,996,631	19,394,000	20,036,000
New files prepared	489,157	500,573	608,683	674,000	716,000
Index searches	3,425,231	3,422,506	4,120,428	4,357,000	4,562,000
Verification of arrival and departure	87,469	81,939	98,423	85,300	84,800
Alien address reports received	3,038,304	3,128,765	3,236,684	3,286,000	3,500,000
AR cards laminated	364,402	593,906	650,555	704,000	702,000

[1] Apparent decrease results from change in reporting requirements.

6. Immigration and Naturalization Records

Appropriation base	$5,395,300
Budget estimate	6,136,500
Increase in the budget estimate over the appropriation base	741,200

This activity covers the custody and maintenance of records (including alien registration records) and relating indices; the receipt and distribution of mail; laminating; the custody and maintenance of entry records, including the furnishing of information and verifications of arrival therefrom; maintenance of basic records and issuance of lookout listings on excludable aliens and persons wanted by other agencies; receiving and recording aliens' address reports filed

annually pursuant to section 265 of the Immigration and Nationality Act; messenger service; records retirement; centralized control of nonimmigrants who entered temporarily and distribution of notices of crewmen wanted by this Service.

Previous year performance

Selected workload items.—

Files: Every time a new immigrant comes to this country an active case file is prepared. Last year there were 306,260 immigrants. Other factors also affect the number of files prepared. Files are prepared on refugees paroled into this country, and on persons subject to the various Service actions if no previous file exists on the subject. During the 1963 fiscal year 608,683 new files were prepared.

These files are maintained in Service files control offices in the area of the alien's residence in order to provide quicker and less expensive files service. When aliens move, their files are moved near their new residence. To help offset the need for additional space to house these files, the Service last year retired 4,630 cubic feet of records under existing destruction authorities and transferred 5,971 cubic feet of records to Federal records centers. This released storage space equivalent to 1,324 five-drawer file cabinets.

Index searches: Index searches are required as aliens change their residence, raise questions, file applications or petitions, or become subject to some Service action. As investigations are opened, aliens are apprehended, or inquiries are made by security and enforcement agencies (as provided by sec. 290(a) of the Immigration and Nationality Act), the volume of index searches increases.

Alien address reports: There were 107,919 more aliens reporting their addresses in January 1963 than in 1962. A total of 3,236,684 aliens reported their addresses. California still retains first place with 710,419 reporting. In New York 600,468 aliens reported. Texas, with 241,001 was in third place. Every report received must be sorted, counted, alphabetized, and filed.

Master index: Pursuant to section 290 of the Immigration and Nationality Act, the Service maintains an index for each case file and these are filed in a master index, housed in 60 mechanical index machines. Over 500,000 all-purpose searches are made annually. There are now almost 34 million index cards in the master index—3,138,676 new cards were added in the fiscal year 1963.

Program outlook

Substantial increases in every phase of records activity have been occurring in the past years. Last year the number of new files prepared increased 21 percent.

The outlook for the fiscal year 1964 and 1965 is for additional workload increases. The records system improvement program has enabled the Service to keep pace with record volumes with only token personnel additions. These programs will be emphasized during the next 2 fiscal years, with particular attention to records retirement projects and processing efficiency.

Immigration and naturalization records—Increase, $741,200

A. Statutory salary advancements	$36,400
B. Repairs and alterations, immigration stations	3,600
C. Office equipment for GSA projects	22,000
D. Records equipment	98,900
E. Tabulation of alien address reports	397,500
F. Temporary records employment (man-years and related costs)	182,800
Total	741,200

A. *Statutory salary advancements.*—Increase, $36,400.

B. *Repairs and alterations, immigration stations.*—Increase, $3,600.

C. *Office equipment for GSA projects.*—Increase, $22,000. The total amounts requested for each of the foregoing items are tabulated in detail and justified in full in that part of the justifications dealing with multiactivity items. The amount referred to here represents the applicable portion chargeable to the records activity.

D. *Records equipment.*—Increase, $98,900. One of the more difficult problems facing the Service has been that of keeping pace with growing record volumes without substantial manpower increases. New techniques and procedures are constantly being reviewed or tried out. The use of modern records equipment has offered some relief.

The mechanical equipment housing the master index has proved to be highly efficient. However, the equipment has almost reached its capacity in volume. At the end of the fiscal year 1963, expansion space remained for approximately 6 million additional index cards. About 3,300,000 index cards will be filed in the master index in the fiscal year 1964 and about 3,400,000 in the fiscal year 1965. There will be withdrawn approximately 400,000 cards from the master index each year to be destroyed or routed to files. This will leave a net expansion growth of 2,900,000 index cards in the fiscal year 1964 and 3 million net growth in the fiscal year 1965. It will then be necessary to obtain 3 additional index machines with a capacity of about 5,000 filing inches each to handle the normal expansion requirements. The machines similar to those now in operation will cost $5,500 each installed, a total of $16,500.

A new project is being initiated in eight Service offices to mechanize all visa processing. Under present procedure, each time a visa is received, separate typing operations are required to prepare an index card, alien registration card, foreign address and occupation index card, notice for citizenship education, an envelope, and cross-reference index cards. Under the new plan the typing operations performed in processing visas will be executed automatically using perforated tapes. Two Flexowriters and one Selectodata are the basic equipment to be used. The following table shows a breakdown of the cost of each installation.

Visa processing equipment

Equipment	Units required	Unit cost	Total
1. Flexowriter, SPD, elite, inverted keyboard, Flexofeed 12 inch carriage (GSA item 47-23)	2	3,842	$7,684
2. Edge card facility on 1 Flexowriter (47-24)	1	185	185
3. Parity check on 1 Flexowriter (47-24)	1	101	101
4. Selectodata reader STR-AD (47-24)	1	1,932	1,932
5. Tape rewind kit (47-24)	1	69	69
6. Tape unwinder (47-24)	1	11	11
7. Forms stand (47-24)	2	42	84
8. Machine stand 1041553, 18 inch shelves (47-24)	2	117	234
Total			10,300
Installation at 8 locations			×8
Total			82,400

E. *Tabulation of alien address reports.*—Increase, $397,500. From 1890 to 1950 a question on citizenship was included in the decennial censuses. Therefore, it was possible to obtain for aliens in the United States statistics in various categories such as date of entry of aliens, age, sex, country of birth, city, county, and State of residence. It was not possible for the Bureau of Census to include the question on citizenship in the 1960 census.

Under section 347 of the Immigration and Nationality Act, the Attorney General is "authorized and directed" to prepare a report to show the relationship between immigration, the census populations of the foreign born, and naturalization, by vocation and economic status. The omission of the question on citizenship has left a gap in the statistical series on aliens.

Annually, the alien address cards have generally been tabulated by States, and by the nationality of aliens. These tables meet limited needs, but lack much of the detail necessary regarding the alien population.

Some of the items which will be available from the tabulations will be—

(1) Concentrations of nationality groups by cities and counties, and the effect of segregation of various nationality groups by cities on assimilation and naturalization.

(2) Occupations of aliens in the United States.

(3) Number of aliens of voting age, by congressional districts.

(4) Length of time aliens have been in the United States. Many aliens admitted since 1900 have become naturalized; however, statistics on mortality of aliens, and on abandonment of U.S. domicile by aliens, are quite incomplete, so that the composition of the alien population by date of arrival is not available; therefore, the figures on assimilation of aliens through naturalization are incomplete.

(5) Age and sex of the alien population. Census figures show the median age of the foreign born to be 57, much older than the native-born population. This is probably too high a figure for the present alien population, since most of them must be arrivals within the past decade, but there are no accurate figures. The age, sex, and year of entry of the alien population will also provide a basis for estimating the naturalization potential in future years.

(6) The alien population information will be available for use in connection with the current study of the Subcommittee No. 1 of the House Judiciary Committee on Immigration.

(7) The additional information will be available for estimating the accuracy of alien address reports volume because immigration and naturalization by year of entry can be related to alien population by year of entry.

The following table shows a breakdown of the estimate for accomplishing this project:

Processing of alien address report program

CONTRACTUAL COST

	Number of work units	Cost per 1,000 cards	Total cost
Description of work:			
Coding	3,500,000	$26.00	$91,000
Keypunching	3,500,000	33.00	115,500
Interpreting	3,500,000	3.00	10,500
Sight verification	3,500,000	18.00	63,000
Sorting	3,500,000	2.00	7,000
Mailing cards	3,500,000	.80	2,800
Reproducing cards	3,500,000	.69	2,400
Cost of cards	3,500,000	1.00	3,500
Sorting and tabulating cards for analysis of alien population characteristics	3,500,000	20.57	72,000
Total, contractual cost			367,700

TEMPORARY EMPLOYMENT COST

	Man-years	Grade	Annual salary	Total cost
Description of work:				
Write definitions, prepare charts, interpret tables, edit final drafts, confer and advise on editing and coding of alien address reports.	0.50	GS-12	$9,984	$5,000
	.50	GS-11	8,424	4,200
	1.25	GS-9	7,030	8,800
Summarize tables for descriptive text and other clerical work	2.00	GS-5	4,701	9,400
Stenographic services	.25	GS-4	4,222	1,100
Total	4.50			28,500
FICA taxes (Government contribution, 3⅝ percent)				1,100
Total personal services and benefits				29,600
Supplies and materials (4.5×$50)				200
Total, temporary employment cost				29,800
Grand total				397,500

F. *Temporary records employment and related items.*—Increase, $182,800. A program has been initiated to find files that are inactive that can be retired to records centers to offset the need for additional space to house files for new immigrants. A recent pilot study disclosed that 62 percent of the files in field offices through the first 9 million series can be screend out as inactive and retired. Filing space for about 3,500,000 new files can be gained by this project. Field offices will require 11 man-years of temporary employment at a cost of $44,800 to screen out these files.

The master index has a net growth of about 3 million index cards per year. Rates of searching and filing become slower as the index grows. To help offset the effect of the normal growth, improvements in the breakdowns are needed. Given names that are alike and amount to more than one-half inch within each Soundex code should be arranged by date of birth to facilitate searching. About one-half of the codes will be affected.

In order to make this improvement, it will be necessary to screen the index for common given names. Dates of birth for index cards (naturalization stubs) relating to naturalizations between September 27, 1906, and 1947, will have to be computed, as only the ages at the time of naturalizations are shown. It will require 33 man-years of temporary file clerks to screen the index for common given names, make the year-of-birth computations, sort and interfile the index cards, and insert the required guide cards.

The following tables show a breakdown of the 44 temporary man-year requirements and the cost involved for these two records projects:

Temporary employment in records

ARRANGE INDEX CARDS IN THE MASTER INDEX BY DATE OF BIRTH FOR COMMON GIVEN NAMES WITHIN EACH SOUNDEX CODE

Description	Number of work units	Rate per man-day	Man-years required
Screen index cards for common given names	34,000,000	20,000	8
Compute year of birth on naturalization stubs (1906 to 1947)	6,000,000	3,000	9
Sort and interfile 50 percent of the index cards by date or year of birth adding guide cards as required and identifying index cards relating to the same individuals. (Cards relating to same individuals will be stapled together or other required actions taken)	17,000,000	4,800	16
Total man-years			33

Costs	Man-years	Grade	Annual salary	Total amount
Temporary employment	33	GS-2	$3,640	$120,100
Nightwork differential (10 percent)				12,000
FICA taxes (Government contributions, 3⅛ percent)				4,300
Total, personal services and benefits				136,400
Supplies and materials (33×$50)				1,600
Total				138,000

SCREEN "A" FILES THROUGH THE 9,000,000 SERIES

Description	Number of work units	Rate per man-hour	Man-hours required	Man-years required
Screen "A" files	1,718,698	74	23,226	11

Costs	Man-years	Grade	Annual Salary	Total amount
Temporary employment	11	GS-3	$3,890	$42,800
FICA taxes (Government contribution, 3⅛ percent)				1,500
Total personal services and benefits				44,300
Supplies and materials (11×$50)				500
Total				44,800
Grand total				182,800

Force and workload: General administration

	Actual			Estimate	
	1961	1962	1963	1964	1965
Positions:					
Supervisory	20	25	21	21	21
Officers	62	53	53	53	53
Clerical	217	192	192	192	192
Custodial	11	11	9	9	9
Central Office	142	141	145	145	145
Total permanent positions	452	422	420	420	420
Average permanent employees	401	393	391	392	389
Average number of all employees	413	405	401	402	399
Workload:					
Cards keypunched	2,114,762	1,388,788	1,318,044	1,375 000	1,400,000
Cards sorted	47,294,423	40,917,339	33,859,513	36,000,000	37,000,000
Documents coded	1,931,872	1,397,984	1,358,786	1,380,000	1,473,000
Stencils and plates prepared	48,168	53,490	48,571	56,100	57,000
Duplicating work (sheets duplicated)	18,262,977	17,819,267	17,662,966	18,700,000	18,900,000
Personnel actions processed	8,350	7,328	7,195	7,700	7,700
Payroll changes (documents)	45,493	40,897	45,123	45,300	45,300
Vouchers examined	72,728	69,355	68,020	64,500	64,500
Travel authorizations issued	12,333	11,622	12,329	12,700	12,700
Contracts and leases awarded	580	443	338	400	400
Purchase orders issued	11,247	11,555	9,440	10,400	10,500
Collections for fees, fines, etc	$4,935,592	$4,613,442	$4,876,256	$5,000,000	$5,000,000

7. *General administration*

Appropriation base	$3,903,200
Budget estimate	4,011,300
Increase in the budget estimate over the appropriation base	108,100

This activity includes:

All work performed and expenses incurred (1) by the Commissioner and Regional Commissioners of the Service and their immediate secretaries in the overall administration and enforcement of the Immigration and Nationality Laws, and (2) by the other Service employees whose services and functions are of an administrative nature and are performed to facilitate the program activities of the Service. Specific work under this classification consists of that relating to personnel, budget, finance, statistics and work measurement, procurement and property management, and management analysis.

Previous year performance

Management improvement and control. Staff services support operationg personnel at all levels. Budgetary and staffing controls set personnel ceilings and determine activity plans and emphasis. Each of 400 offices are inspected at least once each year to determine the quality of supervision, management and operating efficiency. Forms control and reports control systems keep tabs on about 1,000 forms and about 160 recurring reports.

Continual improvements are sought through encouragement and guidance of work simplification projects.

Work measurement and statistics.—The wide variety of work performed by Service officers is measured in terms of work units, geography, time of year, status of workload. The units are related to the time if takes to do the work. This information is used at every level to plan work, to avoid or get rid of backlogs, determine trends, evaluate new procedures and improve work methods.

Statistical information on immigration and nationality is compiled and interpreted to determine accomplishments and trends and to make predictions for the future. Statistical information collected is used by the Department of Labor, the National Science Foundation, the State Department, the U.S. Travel Service, the Department of Health, Education, and Welfare and the Department of Commerce.

In response to a request from Subcommittee No. 1 of the House Judiciary Committee a report was made covering the Immigration and Nationality Act of 1952 and of the subsequent and supplemental legislation that followed it. The report interpreted the various laws, in their relation to basic immigration principles, and in terms of numbers of immigrants by their countries of origin. A report was prepared on naturalized citizens, by nationality, in relation to the period of time such citizens were in the United States prior to attaining citizenship. A handbook, "Techniques for Analysis of the Work Measurement Report" was completed. Its purpose is to present ways and means of using the operations work reports more effectively in the supervisor's immediate field of operations. A report of literacy and education as it relates to aliens was made for presentation to an adult education program.

Program outlook

Training.—Training is one of the more important tools of management. During the fiscal year 1963, 622 officers completed training courses which ran from 1 day to 14 weeks. Executive development courses were held and supervisory and journeyman courses were given in every Service activity. There were 124 newly appointed Patrol Inspector trainees who completed 14 weeks of intensified training at the Border Patrol Academy. Many employees also completed extension training programs and attended local training sessions in the technical and professional, administrative, supervisory, managerial, and clerical fields.

Construction of facilities.—Continuation of the joint program with the Bureau of Customs for the replacement of substandard border inspection stations at small ports is considered to be of the utmost importance. The construction of border patrol stations to replace inadequate quarters is another very necessary project. This construction is accomplished under the authority of the act of June 26, 1930, as amended. Support is also furnished the General Services Administration in designing and locating required Border Patrol Sector Headquarters and Border Patrol facilities where the cost exceeds the amount contained in the authority available to the Service.

Management improvements.—Examples of some projects planned are as follows:

1. A pilot operation to greatly simplify visa processing at New York will be installed. Additional studies will be made to determine if the techniques used to simplify visa processing can also be used to process naturalization and citizenship applications as well as applications for adjustment of status.
2. A great deal of attention has been given lately to the procedures involved in the control of nonimmigrants. Evaluations will be made to strengthen the effectiveness of the program.
3. An evaluation will be made of the dissemination of instructions by field offices.
4. A careful analysis of the forms control program will be made, including an appraisal of requisitioning procedure, storage, revision, duplication and distribution.

Statistics.—A special tabulation of the 1965 alien address reports is planned. The report which is authorized by law, will show the relationship between immigration, the census populations of the foreign-born, by vocation and economic status. Alien address report cards for 1964 have been designed with the 1965 project in mind so that test runs be made on about 1,000 of the 1964 cards.

General Administration—Increase, $108,100

A. Statutory salary advancements	$27,400
B. Repairs and alterations, immigration stations	3,300
C. Accident compensation	77,400
Total	108,100

A. *Statutory salary advancements.*—Increase, $27,400.

B. *Repairs and alterations, immigration stations.*—Increase, $3,300. The total amount requested for each of the foregoing items is tabulated in detail and justified in full in that part of the justifications dealing with multiactivity items. The increase referred to here represents the applicable portions chargeable to the general administration activity.

C. *Accident compensation.*—Increase, $77,400. Section 209 of Public Law 86—767 amended section 35 of the Employees Compensation Act by requiring each agency to reimburse the employee compensation fund for payments on account of injury or death for occurrences after December 1, 1960, to employees under the agency's jurisdiction. Under the new legislation the Secretary of Labor furnishes each agency the cost of benefits paid during the preceding fiscal year. The amount appropriated will be deposited in the Treasury to the credit of the fund within 30 days after it becomes available. The cost of benefits paid to Service employees during the fiscal year 1963 was $77,400.

MULTIACTIVITY ITEMS

Certain items, which cut across activity lines, must be considered in total for the purpose of a comprehensive justification. These "multiactivity items" are set forth hereunder. The applicable portion is shown in the justification for each activity concerned and cross-referenced to this part of the justifications. The subdivision by items is set forth on the next page, followed by complete justification for each item.

	Inspection	Detention and deportation	Naturalization	Border patrol	Investigation	Immigration and naturalization records	General administration	Total
A. Passenger vehicle replacements:								
Number of replacements (sedans)	(36)	(1)	(2)	(126)	(85)			(250)
Vehicle cost, including $380 each for police-type equipment	$62,300	$1,800	$3,400	$218,000	$147,000			$432,500
Delivery costs	5,000	100	300	17,700	11,900			35,000
Subtotal	67,300	1,900	3,700	235,700	158,900			467,500
B. Statutory salary advancements:								
Personnel compensation	115,000	34,100	29,800	102,200	85,200	$34,100	$25,600	426,000
Life insurance benefits	500	100	100	400	400	100	100	1,700
Retirement benefits	7,500	2,200	1,900	6,700	5,500	2,200	1,700	27,700
Subtotal	123,000	36,400	31,800	109,300	91,100	36,400	27,400	455,400
C. Station repairs and alterations:								
Supplies and materials		200		700	100			1,000
Contractual services	16,100	9,100	1,000	47,500	1,800	2,200	1,600	79,300
Lands and structures	7,700	8,700	700	30,400	900	1,400	1,700	51,500
Subtotal	23,800	18,000	1,700	78,600	2,800	3,600	3,300	131,800
D. Equipment for GSA projects	11,300	11,000	11,000		11,000	22,000		66,300
Total, multiactivity items	225,400	67,300	48,200	423,600	263,800	62,000	30,700	1,121,000

A. Passenger vehicle replacements (250 sedans).—Increase, $467,500. The Service's authorized fleet as of June 30, 1964, will be 992 passenger vehicles, consisting of 973 sedans, 16 buses, and 3 station wagons. During the fiscal year 1965 it is estimated that 324 vehicles will meet GSA replacement standards. Nevertheless, funds are requested for replacement of only 250 sedans. Passenger vehicles used by this Service average approximately 20,200 miles per year. They are used for patrol of the border, pursuit of law violators, movement of aliens, travel of officers to meet arriving ships and planes, travel in connection with examination and interrogation of naturalization applicants at over 600 courts, and for conducting investigations of aliens illegally in the United States. Operations efficiency depends upon the availability of the fleet. Delay in making replacements beyond GSA standards is uneconomical.

Sedans cost $1,870 (including $380 for police-type equipment), net $1,730, plus $140 each for delivery charges. Receipts for the sale of old vehicles are reflected in the estimated appropriation reimbursements for the fiscal year 1965. The details making up the total cost of replacements (distributed by activities in the tabulation above) are as follows:

	250 sedans	
	Unit	Amount
Basic vehicles (gross)	$1,500	$375,000
Police equipment	380	95,000
Subtotal	1,880	470,000
Sale of old vehicles	−150	−37,500
Basic vehicles (net)	1,730	432,500
Freight	140	35,000
Total	1,870	467,500

The projected age and mileage distribution of the passenger vehicle fleet as of June 30, 1964, is as follows:

SEDANS

Model	Age	Number of vehicles	Average mileage
1964	1	248	7,000
1963	2	248	28,000
1962	3	241	48,000
1961	4	179	68,000
1960	5	57	81,000

BUSES

1963	2	2	16,000
1961	4	1	25,000
1959	6	2	65,000
1958	7	4	55,000
1955	10	1	90,000
1954	11	4	70,000
1953	12	2	110,000

STATION WAGONS

1961	4	1	30,000
1958	7	2	42,000

B. *Statutory salary advancements.*—Increase, $455,400. The estimate of $455,400 is for within-grade promotions, as authorized by law. The increase amounts to approximately $64 per employee. The total estimated cost of within-grade promotions in 1965 is $819,868. The Service will absorb 44.4 percent of this amount or $364,468. The remainder of $455,400 includes $426,000 for personnel compensation, $1,700 for the Government's share of employee's life in-

surance, and $27,700 for the Government's contribution to the employee retirement fund, which will increase as a result of statutory within-grade promotions.

Employees are advanced in compensation to each of the first three within-grade rates after a waiting period of 1 year, to each of the next three within-grade rates after a 2-year waiting period, and to each additional within-grade rate after a waiting period of 3 years, provided the employee's work is of an acceptable level of competence.

All officer vacancies at all levels in the Service are filled by promotion within, with outside recruitment beginning at grade GS-7. Thus a career service of experienced personnel has been developed to cope with growing volumes of work.

Historically, the Service's personnel losses per month average less than 1 percent. The estimate of $455,400 is equivalent to 57 man-years, which makes it impossible for the Service to absorb the statutory cost by normal attrition within a 1-year period. To do so would necessitate arbitrary action in withholding recruitment approximately 9 months per vacancy to enforce lapse savings of approximately 6 percent as compared with the normally accepted personnel lapse of approximately 3 percent per year for most agencies in the Federal Government. Concurrently, the performance of the Service's law enforcement functions would be greatly affected.

C. *Repairs and alterations, immigration stations.*—Increase $131,800. The repairs and alterations are for Government-owned buildings managed by the Service. There is a continuing need for maintenance and repair work at these stations. Many of the buildings and mechanical installations are old and worn and require constant attention. It is impossible to always forecast, and schedule in advance, the exact items required in a particular fiscal year because unexpected mechanical failures, storm damage, and other emergencies oftentimes require the diversion of funds to provide for an immediate and critical need. Because the 1964 allocation of $158,100 has been deducted from the base, the entire 1965 requirement of $131,800 is listed as an increase.

Major anticipated items of the 1965 estimate include:

San Pedro, Calif.: Install ceiling lighting on third floor to provide adequate lighting, renovate elevator, alterations to interior of building.

Honolulu, Hawaii: Paint exterior of building, garage, and fences.

El Centro, Calif.: Rewire sector border patrol garage and sector headquarters, replace waterlines, paint interior and exterior of sector headquarters building, install central air-heat unit in detention administrative building.

McAllen, Tex.: Pave area at sector headquarters and detention facility.

Chula Vista, Calif.: Replace roof on adjunct buildings, and blacktop driveway and parking area.

Border patrol stations: Paint buildings, hookup with city water and sewage system, and paving.

Border stations: Reinforce foundations of office building and storage pumphouse, replace air-conditioning system which has been in constant operation since 1955, carports for two Service-owned residences, screen rear porch, paint interior and exterior of buildings.

Port Isabel, Tex.: Paint buildings, pave area in the detention compound, replace counter and sinks in the sculleries of the cafeteria, repair buildings required for use of radio technicians and electricians' shop, superimpose practical pistol course on pistol range, and maintenance materials. The pistol range provides primary training under strictly controlled conditions, using standard or bull's-eye targets. When a new officer has mastered the fundamentals he is advanced to the practical pistol course which more nearly duplicates the conditions which can be expected in an actual encounter. The following page shows the actual obligations for the fiscal year 1963, the amounts allocated for the fiscal year 1964, and the estimate for the fiscal year 1965 for each station.

Repairs and alterations to immigration stations, by stations and projects

	Actual, 1963	Estimate, 1964	Estimate, 1965
Immigration stations:			
San Pedro, Calif.	4,382	8,400	10,800
Honolulu, Hawaii	1,298	2,600	4,600
El Centro, Calif.	8,804	26,300	19,700
Detention station, Tampa, Fla.	311	500	500
Inspection and detention station, Opa Locka, Fla.	5,701		
Detention station and sector headquarters, El Paso, Tex.	6,237	4,500	
Sector headquarters:			
McAllen, Tex.	1,910	2,000	4,000
Marfa, Tex.	4,590	5,400	1,100
Laredo, Tex.	1,782	6,200	2,500
Del Rio, Tex.	1,258	800	300
Tucson, Ariz.	333	500	500
Yuma, Ariz.	882	3,000	1,200
Chula Vista, Calif.	2,659	500	7,300
Border patrol stations	7,768	37,000	21,900
Border stations	12,872	10,700	20,200
Port Isabel, Tex.	31,955	46,000	32,100
Repeater stations, towers, and housing units	1,203	3,700	5,100
Grand total	93,945	158,100	131,800

D. Office equipment.—Increase, $66,300. There are two locations where General Services Administration construction projects, to be completed during the fiscal year 1965, will require the purchase of office equipment.

At Chicago, Ill., the Service will move into a new customhouse and Federal office building. The present furniture is inadequate for the space to be acquired. Modular furniture including desks, chairs and bookcases and partitions will cost $55,000. Open-shelf filing equipment will cost $11,000.

Albuquerque, N. Mex., will have a new customhouse and Federal office building for Service occupancy. The furniture required for Service space will amount to $300.

Mr. ROONEY. The total request is in the amount of $71,800,000 which would be an increase of $2,789,000 over the amount appropriated in the current fiscal year for the Immigration and Naturalization Service.

Do you have a prepared general statement, Commissioner Farrell, with regard to this request?

GENERAL STATEMENT

Mr. FARRELL. I have some notes, Mr. Chairman, and I would like to make some remarks from these notes, if I may.

Mr. ROONEY. Very well, Commissioner. We understand that you are doing a fine job in your position and that you have recently been complimented by the President of the United States in regard thereto; am I correct in this?

Mr. FARRELL. Yes, sir. I am greatly honored, but I must consider President Johnson's kind remarks as a tribute to the dedication and devotion of every member of the Service.

We are not asking for any additional permanent positions for the next fiscal year. As a matter of fact, our total average permanent employment is being reduced by 46 man-years, from a figure of 6,612 to 6,566 next year.

We are doing this in order to absorb a large portion of the costs of the statutory within-grade promotions.

As to temporary employment on the special records projects, we are requesting 49 man-years next year compared with 34 for the current year, a net increase of 15 man-years. This means that overall our aggregate man-years of employment next year will be 31 man-years below the current fiscal year.

The Service budget estimate for the year is $71.8 million. This is $2.8 million more than the 1964 adjusted appropriation and more than half of this increase is for mandatory items, such as the pay raise and within-grade salary advancements.

BREAKDOWN OF REQUESTED INCREASES

Mr. ROONEY. How much of the requested additional $2,789,000 is for statutory items?

Mr. FARRELL. $1,796,600.

Mr. ROONEY. Very well. You may proceed.

Mr. FARRELL. Of that amount, $455,400 is for mandatory salary advancements.

This amount is 56 percent of the estimated cost. The Service will absorb the balance even though our personnel turnover averages less than 1 percent per month.

The other half of that $2.8 million is for annual equipment replacements, construction projects for Border Patrol stations and for border inspection stations, and for some projects designed to make our records more efficient.

Mr. ROONEY. You are not just going to spend one sentence on that, are you? That runs into half a million dollars, does it not?

Mr. FARRELL. Yes, sir. I am going to go into some of these items right now, sir, if I may.

Mr. ROONEY. Very well.

Mr. FARRELL. I did want to mention that we have an additional cost here of $77,400 instead of $33,600 for compensation for claims of Service employees to the Bureau of Employees Compensation, a net increase of $43,800. Also, there is one day less in 1965, making a decrease of $189,000.

Mr. ROONEY. That will not cost us any money then, will it?

Mr. FARRELL. No, sir.

Mr. ROONEY. Very well.

Mr. FARRELL. Annualization of the pay raise for 1965 will cost $1,361,400.

The costs of the General Services Administration telecommunications system are to be borne by the agencies this year. This will cost us $125,000, including the effect of rate increases.

The construction of seven inspection station projects in 1965 will cost $240,000 compared to $205,000 for such projects in fiscal year 1964, a net increase of $35,000.

These projects are a part of our long-range program developed in cooperation with the Bureau of Customs.

Border Patrol station projects costing a total of $290,000 are planned for 1965 at four locations. This is a net increase of $170,000 over the $120,000 to be spent for such projects in 1964. A net of $26,300 less is scheduled for regular repairs and alterations on buildings owned by the Service.

The net additional amount for equipment is $199,600. This amount would cover the annual replacement of passenger vehicles, trucks, and aircraft, radio, generator equipment, and office equipment for two buildings recently completed by GSA at Chicago and Albuquerque and for some records equipment.

Other net increases amount to $625,100 and include increase of $442,300 for records projects and $182,800 for the cost——

RECORDS PROJECTS

Mr. ROONEY. It looks as though you have a record project going on record projects. You have $98,900 under equipment costs, and $580,300 under "Other increases."

Mr. FARRELL. Yes, sir—minus $138,000 for the previous year.

Mr. ROONEY. It sounds like a record to me.

Mr. LOUGHRAN. Mr. Chairman, the $98,900 is for the equipment. We must, under the law, keep in our master index records of every person who enters the United States. The accession rate on these index cards is approximately 3 million per year. There is enough space in the present equipment to last to near the end of fiscal year 1965. At the beginning of the fiscal year 1966, we will require three more machines. Each machine costs approximately $5,500, making a total of $16,500.

The $82,400 balance of the item is for a new system to be put into effect at seven locations around the Service, whereby, instead of seven typing operations on one visa, one typing operation will produce a perforated tape. From that tape six other operations formerly done by typists will be done automatically.

We do not have any immediate savings to offer for the use of this equipment, but expect that in the year following installation it will free up the services of about eight clerks for other work.

On the "Records projects" the net increase in 1965 is $442,300. For 1964 the committee allowed 34 temporary clerks for the records. We have deducted them, of course, for 1965, but are asking for 49 temporary clerks in their place. Five of these employees will be for alien address report tabulations.

Mr. ROONEY. Where do we find the breakdown on the $442,300, what page?

TABULATION OF ALIEN ADDRESS REPORTS

Mr. LOUGHRAN. Pages 90 to 95. Page 90 relates to tabulation of alien address reports, an increase of $397,500.

Since 1890, for each decennial census, there has been information acquired by the Census Bureau pertaining to the alien population. For the 1960 census, this was not included by the Census Bureau. We need this information. Therefore, we propose to take the alien address report cards which will be sbmitted in January 1965 and process them through a Service bureau on a contract basis to accumulate the factual information.

From these tabulations we will be able to determine the occupations of aliens in the United States, the number of aliens of voting age by congressional districts, the concentrations of nationality groups by cities and counties, the length of time aliens have been in the United

States, and so forth. Many aliens have been admitted since 1900 and have been naturalized. However, the statistics on the mortality of aliens and aliens who have abandoned their U.S. domicile are incomplete, so that the composition of the alien population by date of arrival is not now available.

Another item would be the age and sex of the alien population. Census figures indicate the median age of the foreign-born is approximately 57 years—much older than the median age of the native-born population, which is a little less than 28 years.

Page 92 of the document has a breakdown of the types of work, the approximate volume and the costs making up the item of $397,500 for this alien address report tabulation.

We propose two other records projects.

INCREASE IN TEMPORARY RECORDS EMPLOYMENT

Mr. ROONEY. This, in effect, would be in addition to the payroll on a temporary basis rather than on a permanent basis of how many people?

Mr. LOUGHRAN. On the alien address program, approximately five persons on a temporary basis.

On the records retirement program, 11 persons on a temporary basis. Those 11 persons would come to——

Mr. ROONEY. Where did I ever get the idea that the Department of Justice was not requesting any additional employees?

Mr. LOUGHRAN. I believe I mentioned to you previously we were not requesting any additional employees.

Mr. ROONEY. Permanent employees?

Mr. LOUGHRAN. No permanent employees. In fact, as the Commissioner said, Mr. Chairman, we are actually reducing our staff by a net of 31 man-years.

Mr. ROONEY. How many bodies?

Mr. LOUGHRAN. Thirty-one.

Mr. ROONEY. How many do you have on the rolls right now?

Mr. LOUGHRAN. 6,763.

May I continue on the records, Mr. Chairman?

Mr. ROONEY. Yes, if you will.

SCREENING ALIEN FILES

Mr. LOUGHRAN. The 11 clerical employees are to search out inactive files throughout the Service. We are sure that we could free up space now occupied by one million old files which we would transfer to records centers, making space available for approximately 3 to 3.5 million new files. We would transfer to the records centers alien files on which there have been no activities since approximately 1955.

It is much less expensive to keep them in records centers than in office space. In fact, the General Services Administration computes a savings of approximately $3.50 per cubic foot of records transferred from first class office space to a records center. That is what these 11 persons would do.

INCREASE FOR THE MASTER INDEX PROJECT

In addition to this, we are asking for 33 clerical man-years of employment on the master index in the central office. The master index continues to increase in size. It has an accession rate of approximately 3 million cards per year. It now holds about 37 million cards and each year it becomes increasingly more difficult to search.

We would like to take the cards on, let us say, Jose Gonzales and all of the Gonzales with the same first name and rearrange them by date of birth. This simplifies the searching. Therefore, it keeps down manpower requirements.

This accounts for the total 49 man-years of temporary employment in the records projects.

Even with this, we still have a net reduction of 31 in our average number of all employees.

Mr. ROONEY. Do you have anything else you wish to say, Commissioner Loughran?

Mr. LOUGHRAN. That is the story on our records proposals.

Mr. ROONEY. Mr. Commissioner, do you wish to resume?

GOVERNMENT LIABILITY FOR INSPECTION OVERTIME

Mr. FARRELL. There is $182,800 in the cost of the Government liability for inspection overtime.

Mr. ROONEY. What are the details of that?

Mr. FARRELL. Under the 1931 overtime act we are able to charge carriers for the cost of inspecting nonscheduled aircraft. The cost to the Government of inspecting regularly scheduled and ontime aircraft and also the cost of Sunday and holiday pay at land ports, has more than doubled over the last 10 years, and it is increasing at a much more rapid rate than the carrier liability inspection cost. We are asking $182,800 to help pay the 1965 increased cost.

Mr. ROONEY. Before I ask a question on that item, would you like to insert the rest of your statement at this point in the record?

Mr. FARRELL. Yes, sir.

(The matter referred to, follows:)

INSPECTIONS

Inspection volume.—Service officers inspected over 174 million persons during the fiscal year 1963. This is about 400,000 more than the previous year. While 95 percent of the inspections are border crossers, the largest workload gains involve the inspection of persons with documents. A 12-percent increase in such admissions represents a real workload absorption.

Passenger arrivals by sea and air increased 9.2 percent in the fiscal year 1963 over the previous year.

These workload increases are not unusual. They are part of an upward trend which has continued for some time. For example, the number of aliens admitted with documents has increased 41 percent since 1959. During the same period the number of passenger arrivals by sea and air increased 38 percent.

Adjudications.—Several hundred thousand applications are examined by Service officers each year to determine whether persons are eligible for benefits and privileges under the law. One of the more time-consuming types of work is the application of a nonimmigrant to change his status to that of immigrant. Last year the volume of these applications increased 30 percent over the previous year. This was mostly as a result of Public Law 87–885, approved on October 24, 1962, which made immigrant visas immediately available (under section 245 of the Immigration and Nationality Act) for a number of alien

beneficiaries of first preference visa petitions filed prior to April 1, 1962. As another example of increased workloads, the number of visa petitions completed increased 6 percent compared to the 1962 fiscal year completions.

Revenue.—Last year revenue from fines and penalties amounted to over $338,700 and fees for applications and the like amounted to $3 million. These items, plus naturalization fees of $1.6 million, resulted in total revenue receipts amounting to $4.9 million being placed into the general fund of the Treasury.

DETENTION AND DEPORTATION

1963 expulsions.—Last year we deported or required the departure of about 76,800 aliens. Of these, 678 were deported on criminal, immoral, or narcotic charges.

NATURALIZATION

Last year over 124,400 persons were naturalized. No substantial changes will occur in the naturalization activity during the next 2 years.

BORDER PATROL

Control of the border.—Apprehensions by border patrol officers increased 30 percent during the fiscal year 1963. Over 39,800 persons were apprehended. They included approximately 38,800 deportable aliens, 340 smugglers of aliens, and 1,000 violators of various other Federal, State, and local laws. Illegal entry across the Mexican border was the highest since 1958. The number of aliens located along the Canadian border increased 14 percent over those located during the fiscal year 1962. Economic and agricultural conditions which produce such activity will continue to require patrol viligance.

INVESTIGATIONS

More attention was given to the initiation of investigations stemming from overstays, rather than relying mostly upon *search operations*. We are confident we will get satisfactory results this way. Search operations will continue to be an important technique, particularly in the apprehension of deserting crewmen.

Anticrime cases.—The Service's anticrime and racketeering program last year resulted in the expulsion of Gaetano Morgano, Gary, Ind., vice figure; the criminal conviction, for illegal reentry after deportation, of Ernesto Barese, international narcotic suspect; the institution of deportation proceedings against Anthony Thomas, a convicted murderer, Thomas Fontanella, Missouri, a convicted kidnaper, and Joseph Thomas Traum, of Terre Haute, Ind., a gambling syndicate figure. Denaturalization orders were entered against Anthony Peter Riela, an Apalachin "crime convention delegate," and Hugo Rossi, international drug trafficker. Rossi is presently under deportation proceedings.

SUMMARY

We intend to get the most out of every available man-hour, by the introduction of new techniques and improvements in old systems, and through the use of modern and efficient equipment, and we can operate during the fiscal year 1965 with the funds requested without increases in the work force.

Mr. ROONEY. Did you get any money for this purpose last year?

Mr. LOUGHRAN. Yes; there was an increase of $168,500 in 1964. As the Commissioner has said, Mr. Chairman, with the use of jet aircraft, airlines are actually meeting their schedules and, therefore, the Government cannot bill——

Mr. ROONEY. Where was that contained last year? I am looking at page 25–15 of your justifications and according to the 1964 column, there is nothing; in the 1965 column, $182,800.

Mr. LOUGHRAN. Mr. Chairman, the hearings before your committee last year——

Mr. ROONEY. No; I am looking at your budget page 25–15.

Mr. LOUGHRAN. If I understand your question, sir, I see no reason why it should be on page 25–15. The 1964 column is already covered into the base. In other words, we are paying this money out and have been paying it out during this current fiscal year. We will pay out this increase.

On Page 2 under the item "Extra compensation (act of March 2, 1931), nonreimbursable, we show under the 1963 column $1,827,508. There is also shown what we plan to pay out in 1964—$1,994,100, and then for 1965, by adding the pay act adjustment and the $182,800 item, it shows that we are requesting for Government liability under the 1931 Overtime Act, $2,230,300.

Mr. ROONEY. What was the amount paid out 5 years ago in this regard?

Mr. LOUGHRAN. Government liability overtime in 1958 fiscal year was $1,151,424.

The carrier liability that year was $1,181,499 and that gives a total of overtime under the 1931 act of $2,332,923.

Mr. ROONEY. That first figure was what?

Mr. LOUGHRAN. Government liability in 1958 was $1,151,424.

Mr. ROONEY. Now you are way up by $1 million to $2,230,300 are you?

Mr. LOUGHRAN. Yes, sir, for 1965.

Mr. ROONEY. You told us that the carrier payment to this overtime in 1958 amounted to $1,181,499; right?

Mr. LOUGHRAN. Yes, sir.

Mr. ROONEY. What is their part of the extra compensation for overtime in 1965, according to your estimate?

Mr. LOUGHRAN. We estimate it to be $1,588,000.

Mr. ROONEY. The taxpayer is getting a faster increasing liability on this than the carrier, is he not?

Mr. LOUGHRAN. Yes, sir; the reason being, as I am sure you know, the traffic along the borders increases on weekends. The Government has to pay the cost of overtime on land borders for Sundays and holidays.

Jet aircraft actually are not off schedule to the extent the planes previously were. That is why the costs to the Government are increasing.

Mr. ROONEY. In other words, the costs to the Government and to the taxpayer have increased 25 or 50 percent more than the costs to the airlines?

Mr. LOUGHRAN. The cost to the Government since 1958, sir, is approximately 100 percent increase whereas the cost to the carriers is approximately 25 percent increase from 1958 to 1965.

Mr. ROONEY. That puts it another way. That is explanatory.

Do you have the figure for ten years ago?

Mr. LOUGHRAN. For 1953 fiscal year the carrier liability was $920,366 and the Government cost was $848,345, or a total of $1,768,711.

Mr. ROONEY. Would it be fair to say that it looks as though this has gotten out of line where you had figures which were as near as they were in 1953 and now it is as far away as they are in 1965?

Mr. LOUGHRAN. I do not know how to answer that, Mr. Chairman. It is the act of March 2, 1931, and the application of the act is the same as it has always been. As you know, aside from the land

borders, the reimbursement is based on being off schedule with men being in an overtime period. It is just a fact of life that jet planes are on schedule more than the planes previously were.

Mr. ROONEY. If you will look at page 25–15 will you please explain why it is that you have figures in the 1964 column and then in addition to the $69 million at the top of the page, or the 1964 appropriation?

Mr. LOUGHRAN. Sir——

Mr. ROONEY. These are by way of information to show what?

Mr. LOUGHRAN. To show the difference between what was requested in 1964 or, rather, what was granted by you in 1964 as compared with what we are requesting for 1965, in order to——

Mr. ROONEY. Why did you not do the same thing with regard to the overtime?

Mr. LOUGHRAN. If I did that with regard to the overtime——

Mr. ROONEY. Would it look too big?

Mr. LOUGHRAN. No, sir; but the basis for page 15 is to show you the broad comparison of the appropriation granted by you in 1964, specifically $69 million, and the $71,800,000——

Mr. ROONEY. Why did you not have the figure at the foot of the 1964 column, $2,047,500?

Mr. LOUGHRAN. I do not believe it could be done that way, sir. We are trying to display as simply as possible the makeup of the request for $2.8 million above what you gave us last year. For example, if I had included that figure under the 1964 column, I would have had a higher figure out in the right-hand column.

Mr. ROONEY. I just do not understand this.

Maybe you can enlighten me?

Mr. LOUGHRAN. You gave us $69 million last year.

Mr. ROONEY. That we understand.

Mr. LOUGHRAN. We are asking for $71.8 million.

Mr. ROONEY. We understand that, too.

Mr. LOUGHRAN. A gross difference of $2.8 million.

Mr. ROONEY. Right.

Mr. LOUGHRAN. On page 15 we are trying to explain the difference and then coming down to the specific item of Government liability overtime, wherein you gave us last year——

Mr. ROONEY. Why did you not show the difference insofar as overtime is concerned? How much did you have last year for passenger motor vehicles under "Equipment"?

Mr. LOUGHRAN. $491,800.

Mr. ROONEY. That is the amount you had last year and why is not the amount you had last year at the foot of the 1964 column on page 25–15 as is the $491,800?

Mr. LOUGHRAN. May I go off record?

Mr. ROONEY. Yes, Commissioner.

(Discussion off the record.)

TRUCK REPLACEMENT

Mr. ROONEY. How much did you have last year for "Trucks"?

Mr. LOUGHRAN. $377,500.

Mr. ROONEY. If you put the amount you had last year for "trucks" in the column pertaining to trucks, why did you not put the amount you had last year in the same column pertaining to overtime?

Mr. LOUGHRAN. I am trying to get at the gross difference between——

Mr. ROONEY. You do that over in the column to the right, but then you have another column here which would indicate the 1964 appropriation; right?

Mr. LOUGHRAN. Yes, Sir. The 1964 appropriation in certain items, where there is a difference.

Mr. ROONEY. Why do you think I asked you whether or not you had money last year for Government liability overtime? Because I knew that you did and I did not see it here.

Mr. LOUGHRAN. Did I misunderstand you, Mr. Chairman? I should have put the total ——

REQUESTED INCREASE FOR RECORDS EQUIPMENT

Mr. ROONEY. What about this requested increase for records equipment, $98,900?

Mr. LOUGHRAN. That is for the two items I mentioned a moment ago; $16,500 for three rotary index machines in the central office. We are running out of space to maintain our records in the master index. The other item was to institute a system in seven of our offices whereby we would be doing with one typing operation the work now requiring seven typing jobs.

Mr. ROONEY. What page do we find that on?

Mr. LOUGHRAN. Page 88. The $98,900 is made up of two items; one is $16,500 and the other $82,400.

Mr. ROONEY. At how many locations?

Mr. LOUGHRAN. At seven locations. There are eight machines, two at our New York office.

Mr. ROONEY. Does that explain your using the words "eight locations" on page 89?

Mr. LOUGHRAN. That is an error. It is seven locations or seven offices. Two sets at New York.

Mr. ROONEY. It is an error?

Mr. LOUGHRAN. "A new project is being initiated in eight Service offices." Should read "in seven Service offices." Two sets are to be used at New York.

Mr. ROONEY. Where are you going to use the tape unwinder?

Mr. LOUGHRAN. That is part of this system about which we have been speaking, sir.

Mr. ROONEY. Will that be used in New York?

Mr. LOUGHRAN. It will be used in New York.

Mr. ROONEY. Are you going to move it around?

Mr. LOUGHRAN. No, sir. There will be one in each installation.

Mr. ROONEY. That means there will be seven of them; right?

Mr. LOUGHRAN. No, sir; there will be eight of them.

Mr. ROONEY. You are going to have two unwinders in New York?

Mr. LOUGHRAN. Yes, sir, at a total cost of $22.

Mr. ROONEY. Have all nonrecurring items been deducted from this budget?

Mr. LOUGHRAN. All, sir.

Mr. ROONEY. Where do we find the information with regard to the inspection stations and border patrol stations?

Mr. LOUGHRAN. Page 68, sir, "Border patrol stations."

Mr. ROONEY. The first one we would like to know about is inspection stations.

Mr. LOUGHRAN. They are on page 31.

BORDER STATION AT WARROAD, MINN.

Mr. BOW. Mr. Chairman, before you leave border stations, could we get something in the record Mr. Marshall has been interested in?

What is happening to the border station he always inquired about in Minnesota? He was quite concerned about its being built and where the roads were being changed, this being some distance from the border in that case.

Mr. ROONEY. I do not remember the name of the town.

Mr. LOUGHRAN. I think it was——

Mr. BOW. It was Warroad. What happened to that?

Mr. LOUGHRAN. I am sure it has been completed.

The Warroad, Minn., border inspection station cost $43,030. The contract date was November 8, 1962. The completion was in December 1963.

Mr. BOW. So it is all over?

Mr. LOUGHRAN. Yes, sir.

Mr. ROONEY. What did the house cost? That was what Mr. Marshall was very much interested in.

Mr. LOUGHRAN. I do not have a breakdown on the project. It looks as though there was not any house included. I do recall he was discussing primarily construction of a house because he personally was involved in the construction of a house there.

Mr. ROONEY. That is right.

Please insert at this point in the record for the benefit of our friend and esteemed former colleague, Mr. Fred Marshall of Minnesota, the details with regard to the Warroad project.

Mr. LOUGHRAN. Yes, sir.

Mr. ROONEY. All the details.

Mr. LOUGHRAN. Yes, sir.

(The requested information follows:)

A meeting was held in March 1962, in the office of Congressman Fred Marshall of the appropriations subcommittee for the purpose of reviewing and justifying engineering estimates for the construction of border stations on the northern border.

Congressman Marshall was particularly concerned about the estimated cost of Service houses in view of the fact that he had recently built a house in the St. Paul area for something less than our estimate. It was pointed out to him that the construction cost along the northern border was higher than average for the following reasons:

Most of the locations are very remote, being 50 or more miles from any town. This necessitates a long haul of materials and men. In the case of men it is trade policy that a man's working time commences when he leaves his hometown. Since travel time may be as much as 3 hours a day, this would leave only 5 hours actual working hours for each 8 hours paid. At several locations the contractor brought in trailers and set up a work camp.

For the same reasons it is also quite expensive to bring in materials.

Congressman Marshall then singled out the station at Warroad, Minn., for justification of estimated cost.

There were not to be any residences at Warroad, just a station and garage facilities. At this location it was pointed out that the site consisted of muskeg and it would be quite costly to provide an adequate foundation. Tests had indicated it would be necessary to drop the footings 10 feet or more below grade to get into a solid soil bearing strata. This would necessitate setting reinforced concrete columns and grade beams to support the building which of course would increase the cost.

Further, a complete water system consisting of well and water treatment as well as sewage disposal system would be required. These items differ very little in cost between just a station building or a facility consisting of several residences plus station.

The above information satisfied Congressman Marshall's inquiries and the meeting adjourned.

As soon as funds were approved for the construction of the Warroad border station, this Service contacted the State Highway Department of Minnesota and had them work out an arrangement to widen the road which permitted the construction of an island-type installation. The widening of the road necessitated considerable earthfill which was accomplished by and at the expense of the State.

On this basis the Service made engineering studies and prepared drawings and specifications.

An invitation for bids was mailed to contractors on September 28, 1962, with bid opening set for October 23, 1962. The Northland Builders, Hibbing, Minn., was low bidder. An award was subsequently made to them on November 8, 1962. Because of inclement weather, the contractor deferred job start until spring of 1963. Final inspection was made on November 1, 1963, but due to several deficiencies the project was not accepted until December 18, 1963. Total cost of the project was $43,030.

ACCELERATED PUBLIC WORKS FUNDS

Mr. ROONEY. Is there expectation of any accelerated public works money in the year 1965?

Mr. LOUGHRAN. No, sir.

Mr. ROONEY. How much, if anything, do you have in 1964?

Mr. LOUGHRAN. We have nothing in 1964, sir.

Mr. ROONEY. What did you have in 1963?

Mr. LOUGHRAN. $496,849.84, accelerated public works program.

Mr. ROONEY. But none in 1965?

Mr. LOUGHRAN. No, sir.

THE PRESIDENT'S ECONOMY DRIVE

Mr. ROONEY. Commissioner, you know the efforts being put forth by our President, and I know you are 100 percent behind him, to reduce the 1965 budget down below $98 billion and further below the amount sent up here by the Bureau of the Budget, so how much can you contribute to that campaign?

Mr. FARRELL. Mr. Chairman, this budget has been worked right down to the bone. I do not see any way we can reduce it.

Mr. ROONEY. I know you want to help him so please tell us why not?

Mr. FARRELL. We really held this budget down.

Mr. ROONEY. You really held it down?

What did you go to the Department for in the first go-round?

Mr. BROWN. $72,700,000.

Mr. ROONEY. Is that higher or lower than the amount being presented to us today?

Mr. BROWN. That is higher.

Mr. ROONEY. And how much did you go to the Bureau of the Budget for?

Mr. BROWN. The same amount, $72,700,000.

Mr. ROONEY. It was reduced by the Bureau of the Budget?

Mr. BROWN. Yes.

Mr. ROONEY. Evidently the Bureau of the Budget is trying to do something about the President's economy drive. How can you help in this regard? For instance, why could we not defer this money in the records project until next year?

Mr. LOUGHRAN. Mr. Chairman, we went to the Bureau of the Budget requesting $72 million and the Bureau of the Budget saw fit to reduce our request by $200,000.

Mr. BOW. How much?

Mr. ROONEY. That is not the figure I heard awhile ago. What was that figure, Mr. Brown?

Mr. BROWN. $72,700,000. That was the preliminary estimate submitted to the Bureau of the Budget.

Mr. LOUGHRAN. We went to the Department of Justice with that but we went to the Bureau of the Budget with a different figure.

In the fall we went to the Bureau of the Budget with an estimate of $72 million. That was after the preliminary estimate which goes in in the spring. In the fall we went to the Bureau of the Budget with $72 million and in December they gave us a mark of $71,800,000, which is a reduction of $200,000 from our request.

Mr. ROONEY. Why can we not defer this money in the records project until next year?

Mr. LOUGHRAN. Mr. Chairman, you know that we have always come before this committee——

Mr. ROONEY. With a tight budget?

Mr. LOUGHRAN (continuing). With a conservative estimate, year in and year out, and I think you realize this one also is a conservative estimate.

You know our business keeps increasing year in and year out; you know that our international travel is increasing by leaps and bounds, and you know that as a result of the increase in international travel, particularly with respect to the number of aliens coming into the United States——

Mr. ROONEY. International travel has increased every year for the past 30 years, has it not?

Mr. LOUGHRAN. Yes, that is true.

Mr. ROONEY. Now if you will please get back to the question about this records project and a deferment thereof until next year.

Mr. LOUGHRAN. Well, Mr. Chairman, as you know, these are not mandatory items when you are speaking of records projects. There are certain portions of our estimates, increases, that are mandatory.

(Discussion off the record.)

Mr. ROONEY. Mr. Slack?

INCREASE FOR RADIO RENEWAL EQUIPMENT

Mr. SLACK. How much money was spent in 1963 for radio renewal?
Mr. LOUGHRAN. $192,343 in 1963.
Mr. SLACK. What about 1962?
Mr. LOUGHRAN. May we submit that for the record, sir?
Mr. SLACK. Certainly.
(The information follows:)

$208,800.

Mr. SLACK. Is this the two-way radio system in cars and airplanes?
Mr. LOUGHRAN. Yes, sir.
Mr. SLACK. I do not understand why you have an increase of $24,500 for that item when your passenger vehicles and aircarft are down. You have 10 less pilots and you must have less demand for radio systems, so why did you request an increase of $24,500?
Mr. LOUGHRAN. It is true we have two-way radio equipment in sedans and in jeeps and in aircraft, but we also have stations all over the country. I could submit a map for the record to show exactly where we have stations and the equipment.
We are changing over our equipment in accordance with the best advice of our electronics engineers. We are one of the few civilian agencies that has its own radio network, and therefore we have the advice of a radio engineer.
Our system is worth approximately $3.5 million, and we ask each year for money to keep the system in repair, in as perfect working order as we can.

AIRCRAFT

Mr. SLACK. How many aircraft do you have?
Mr. LOUGHRAN. Thirty-two aircraft.
Mr. SLACK. These are used for border patrol?
Mr. LOUGHRAN. They are used by the border patrol, some are transport planes in which we move aliens.
Mr. SLACK. You do have both single-engine and twin-engine aircraft?
Mr. LOUGHRAN. Yes. The twin-engine ones are C–46's, C–47's, a C–54, and a Cessna 310.
Mr. SLACK. That is all I have, Mr. Chairman.
Mr. ROONEY. Mr. Bow.

AUTHORIZED BORDER PATROL POSITIONS

Mr. Bow. What are your authorized positions now on the border patrol?
Mr. LOUGHRAN. For patrol inspectors, 1,444 positions, plus 50 airplane pilots.
Mr. Bow. Last year you told us you were going to reduce 122 positions. Has that been accomplished, Mr. Loughran.
Mr. LOUGHRAN. That has been accomplished, sir.
Mr. Bow. In what areas did you reduce them?
Mr. LOUGHRAN. We reduced them in the Florida area. You may recall a few years ago this committee gave us 155 patrol positions because of a unique situation with Cuba at that time.

Mr. Bow. You simply transferred them into vacancies as they occurred?

Mr. LOUGHRAN. Yes.

Mr. Bow. You did not fill the vacancies with new employees but transferred your old employees in the vacancies?

Mr. LOUGHRAN. Yes.

Mr. Bow. So your new positions are less than last year?

Mr. LOUGHRAN. Yes. We had 1,555 patrol inspectors and we reduced that to 1,444.

Mr. Bow. You told us last year you had 1,467. You said you had 1,372 patrol inspectors plus 62 pilots.

Mr. LOUGHRAN. Mr. Bow, in 1964 we have 1,444 patrol inspectors.

Mr. Bow. How many?

Mr. LOUGHRAN. 1,444 patrol inspector positions.

Mr. Bow. What year?

Mr. LOUGHRAN. 1964. That is a reduction of 111 from the preceding year.

Mr. Bow. On page 417 of the hearings of last year, I asked you this:

What is your authorized employment of border patrol now?

You answered:

1,467 positions, after setting off the reduction.

Then I asked:

How many do you have on board now?

You answered:

1,372 patrol inspectors, plus 62 pilots. Our reduction of 122 positions is comprised of 111 patrol inspectors and 11 airplane pilots.

That does not jibe with the figures you give me now

Mr. LOUGHRAN. Congressman, may I do a little research of a year ago and put it in the record?

Mr. Bow. Yes. The figures you give me now do not jibe with those you gave me last year. So if you want to clarify that in the record, I just want to make sure you have a reduction of 122 positions that you promised us last year.

(The information follows:)

NUMBER OF BORDER PATROL POSITIONS SCHEDULED AND REDUCTION IN BORDER PATROL PROGRAM COSTS IN FISCAL YEAR 1964

Under Bureau of the Budget instructions (sec. 105, Circular A–11) we are required to show "for each of the 3 fiscal years involved, the number of positions occupied or to be occupied at some time during the year."

During the hearings last year on the 1964 fiscal year appropriation (p. 417), 1,467 was given as the estimate for patrol inspector positions after reducing the force by 111 positions (not including 11 Border Patrol pilots to be reduced). As shown on page 282 of the last year's hearings, the estimate at that time for the fiscal year 1963 was 1,578 and the estimate for the fiscal year 1964 was 1,467.

However, the number of positions actually occupied at some time during the fiscal year 1963 turned out to be 1,555, a reduction of 23. Accordingly, our 1964 estimate has been further reduced by 23 positions (from 1,467 estimated a year ago to 1,444 currently estimated).

With regard to the amounts involved, on page 349 of last year's 1964 budget hearings there was indicated a reduction in the Border Patrol program of $1,151,000 as a result of reducing the work force by 122 positions.

The total Border Patrol program costs planned for fiscal year 1964, after taking out the $1,151,000, was $18,913,000, as shown on page 275 of last year's hearings.

Out of a total House reduction of $989,000, $269,300 had to be applied to the Border Patrol program bringing that estimate down to $18,643,700. Reference to item 4 of the table entitled "Program and Financing" appearing in the current committee print will show that the amount presently scheduled for the Border Patrol program for the fiscal year 1964 is $18,452,000. This reflects not only the scheduled reduction of $1,151,000, but an additional lowering of $192,000 resulting from management action to adjust spending plans to meet changing workloads.

Mr. Bow. Have you expended all your money for accelerated public works?

Mr. LOUGHRAN. Yes, sir.

Mr. Bow. I believe that is all I have, thank you, Mr. Chairman.

RECORDS EQUIPMENT

Mr. ROONEY. How much was expended last year, 1964, on records equipment?

Again, at the 1964 column on page 25.15, the place for the figure is blank in this regard.

Mr. LOUGHRAN. Did you say for 1964?

Mr. ROONEY. Yes; 1964.

Mr. LOUGHRAN. May I insert that in the record?

Mr. ROONEY. According to this page you did not have any money for records equipment in 1964.

Mr. LOUGHRAN. Yes, sir; that is correct.

Mr. ROONEY. I bet you did. Is that a fair guess?

Mr. LOUGHRAN. Based on the information I have with me, I would say we did not have any money on records equipment in 1964, but I would like your permission to research it and make absolutely certain.

Mr. ROONEY. I would not be surprised if it was a substantial figure.

Mr. LOUGHRAN. You know, Mr. Chairman, you gave us 34 man-years of employment for records, which is $138,000, but we did not request any equipment.

Mr. ROONEY. Your answer is that no money was spent in 1964 or will be spent in 1964 for records equipment?

Mr. LOUGHRAN. For any specialized project.

Mr. ROONEY. I am speaking about for anything.

Mr. LOUGHRAN. If you mean for everyday working tools it would be approximately $54,700.

Mr. ROONEY. That is records equipment; is it not?

Mr. LOUGHRAN. I thought you had in mind items of a specialized nature.

Mr. ROONEY. I called your attention to what I had in mind. In fact my attention was called to it by Mr. Slack. You have a figure of zero records equipment in 1964 and I knew this could not be so any more than the overtime could be zero in 1964.

Do you want to tear this sheet out of the justifications?

Mr. LOUGHRAN. No, sir; I think it is an excellent sheet.

AUTOMOBILE REPLACEMENT

Mr. ROONEY. How many automobiles are you asking for?

Mr. LOUGHRAN. 250.

Mr. ROONEY. All for replacement?

Mr. LOUGHRAN. Yes, sir.

Mr. ROONEY. How many automobiles do you now have? Is there information in regard to the automobiles on these sheets?

Mr. LOUGHRAN. Page 25.103—973 sedans, 16 buses, and 3 station wagons are the passenger-carrying vehicles.

Mr. ROONEY. Over in the FBI, where they have 3,304 vehicles, they asked to replace 501. Here, in comparison, you have but 973 and you want to replace 250. How do you explain that?

Mr. LOUGHRAN. We have 324 vehicles that meet the GSA replacement standards and we are requesting to replace only 250 of these. Our vehicles are used along the border and the wear and tear is much heavier than use in city streets.

Mr. ROONEY. Do you have some data with regard to these automobiles indicating how many in each year?

Mr. LOUGHRAN. That is on page 25.104, sir.

Mr. ROONEY. You have all new automobiles. You do not have a 1950 automobile, do you, in passenger sedans?

Mr. LOUGHRAN. No, sir.

Mr. ROONEY. The FBI has some from 1951.

Mr. LOUGHRAN. Our work is a great deal different from other Federal agencies. Our new vehicles go into the border patrol program, they are used on the border where there are not always first-class roads. In fact, there are dirt roads in vast areas along the border. So I say again the wear and tear on our vehicles is enormous compared to vehicles used on city streets.

Mr. ROONEY. It would appear you do not have an automobile that is more than 5 years old.

Mr. LOUGHRAN. That is true, sir. I am sure you agree, though, that it is due to the conditions under which the vehicles must be used.

Mr. ROONEY. You mean they have better drivers than the FBI or they use better streets or routes?

Mr. LOUGHRAN. I do not mean they are better drivers.

Mr. ROONEY. They are out in the boondocks too, are they not?

Mr. LOUGHRAN. I do not know about their operations, but I know about our operations and, as you know, they are primarily on the Canadian and Mexican borders. They average about 21,000 miles per year over these not very good roads. And there is an enormous difference between the roads in these outlying areas as compared to roads in city streets. I am sure the FBI drivers are as good as our patrol inspectors.

Mr. ROONEY. Did the Bureau of the Budget ask you about this?

Mr. LOUGHRAN. Specifically? No, sir.

Mr. BOW. When you work out that border patrol, show where you reduced the expense of the border patrol by $1,151,000.

Mr. ROONEY. Thank you very much, gentlemen.

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