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DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 1964

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HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH CONGRESS

FIRST SESSION

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

JOHN J. ROONEY, New York, *Chairman*

ROBERT L. F. SIKES, Florida
JOHN M. SLACK, Jr., West Virginia
NEAL SMITH, Iowa
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JAY B. HOWE, *Staff Assistant to the Subcommittee*

DEPARTMENT OF JUSTICE

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DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS FOR 1964

TUESDAY, JANUARY 29, 1963.

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

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

This afternoon we shall commence consideration of the appropriation requests for the Department of Justice for the coming fiscal year, 1964.

The total requests are shown at page 73 of the committee print. They come to $355,306,000, which would be an increase of $48,629,000 over the amounts appropriated to date in the current fiscal year, and an increase of $37,683,000 when 1963 Pay Act supplementals are taken into consideration.

The requested increase for 1963 over 1962 fiscal year as of last year was $13,825,000.

JUSTIFICATION DATA

We shall at this point insert in the record the recapitulation of 1964 budget estimates and pages 1–1 through 1–4 of the justifications.

(The justification pages follow:)

Recapitulation of 1964 budget estimates

[In thousands of dollars]

Tab No.	Item	1963 requirements			1964 estimate	Increase or decrease
		Appropriation	Proposed pay act supplemental	Total		
1	GENERAL SUMMARY STATEMENTS					
2	General administration:					
3	Attorney General	222	7	229	277	48
4	Deputy Attorney General	577	22	599	624	25
5	Pardon attorney	74	3	77	82	5
6	Board of Parole	465	17	482	625	143
7	Board of Immigration Appeals	281	13	294	305	11
8	Library	267	5	272	280	8
9	Administrative Division	2,409	73	2,482	2,585	103
	Total	4,295	140	4,435	4,778	343

Recapitulation of 1964 budget estimates—Continued

[In thousands of dollars]

Tab No.	Item	1963 requirements			1964 estimate	Increase or decrease
		Appropriation	Proposed pay act/ supplemental	Total		
10	Legal activities:					
11	Solicitor General	440	11	451	511	60
12	Tax Division	3,563	150	3,713	4,330	617
13	Criminal Division	2,900	111	3,011	3,232	221
14	Civil Division	3,680	159	3,839	4,362	523
15	Lands Division	3,570	95	3,665	3,808	143
16	Office of Legal Counsel	490	22	512	544	32
17	Internal Security Division	1,046	45	1,091	1,132	41
18	Civil Rights Division	811	34	845	1,254	409
	Total	16,500	627	17,127	19,173	2,046
19	Antitrust Division	5,987	243	6,230	6,600	370
20	Attorneys and marshals:					
21	U.S. attorneys	15,874	508	16,382	17,364	982
22	U.S. marshals	11,197	274	11,471	12,016	545
	Total	27,071	782	27,853	29,380	1,527
23	Fees and expenses of witnesses	1,900	----------	1,900	2,400	500
24	Administrative Conference of the United States	100	----------	100	----------	−100
	Total, legal activities and general administration	55,853	1,792	57,645	62,331	4,686
25	Federal Bureau of Investigation	130,608	5,500	136,108	146,900	10,792
26	Immigration and Naturalization Service	64,022	2,339	66,361	70,000	3,639
27	Federal prison system:					
28	Bureau of Prisons	48,804	1,315	50,119	54,100	3,981
29	Buildings and facilities	3,545	----------	3,545	17,775	14,230
30	Support of U.S. prisoners	3,700	----------	3,700	4,200	500
	Total, Federal prison system	56,049	1,315	57,364	76,075	18,711
	Total, adjusted appropriations	306,532	10,946	317,478	355,306	37,828
	Transfers to GSA for rent	145	----------	145	----------	−145
	Total appropriated funds	306,677	10,946	317,623	355,306	37,683
31	Federal Prison Industries, Inc	1,710	67	1,777	2,136	359
32	Office of Alien Property	690	----------	690	874	184
	Total, limitations	2,400	67	2,467	3,010	543
	Grand total	309,077	11,013	320,090	358,316	38,226

Summary of personnel requirements

[Dollar amount in thousands]

	1962 actual				1963 estimate				1964 estimate				Employment as of Nov. 30, 1962
	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	570	531	547	$3,452	584	547	566	$3,685	594	558	576	$3,973	550
Salaries and expenses, general legal activities	1,538	1,394	1,492	12,349	1,566	1,509	1,519	14,321	1,666	1,584	1,616	15,835	1,496
Salaries and expenses, Antitrust Division	602	526	563	4,503	614	571	604	5,083	614	569	604	5,429	584
Salaries and expenses, U.S. attorneys and marshals	2,756	2,632	2,663	18,813	2,875	2,708	2,800	21,138	2,882	2,812	2,825	22,238	2,737
Fees and expenses of witnesses				758				750				845	
Salaries and expenses, Administrative Conference of the United States	1	8	2	44	1	8		102					2
Total, legal activities and general administration	5,467	5,091	5,267	39,919	5,640	5,433	5,489	45,079	5,756	5,523	5,621	48,320	5,369
Federal Bureau of Investigation: Salaries and expenses, Federal Bureau of Investigation	14,039	13,493	13,906	104,435	14,248	13,728	13,925	111,964	14,798	14,278	14,475	120,847	14,124
Immigration and Naturalization Service: Salaries and expenses, Immigration and Naturalization Service	7,138	6,912	7,116	48,964	7,237	6,885	7,148	52,077	7,115	6,757	7,052	54,413	6,907
Federal prison system:													
Salaries and expenses, Bureau of Prisons	5,084	5,028	5,092	32,518	5,231	5,178	5,238	35,014	5,489	5,421	5,489	37,473	4,854
Buildings and facilities, Federal prison system	46	29	23	208	50	40	40	288	65	45	50	365	19
Support of U.S. prisoners				34				35				35	
Total, Federal prison system	5,130	5,057	5,115	32,760	5,281	5,218	5,278	35,337	5,554	5,466	5,539	37,873	4,873
Total, appropriated funds	31,774	30,553	31,404	226,078	32,406	31,264	31,840	244,457	33,223	32,024	32,687	261,453	31,273
EXPENSE LIMITATIONS													
Office of Alien Property: Salaries and expenses, Office of Alien Property	48	50	41	434	48	55	46	496	61	69	59	649	42
Federal Prison Industries, Inc.: Administrative and vocational expenses	173	168	167	1,217	179	184	206	1,420	195	205	205	1,703	164
Total, expense limitations	221	218	208	1,651	227	239	252	1,916	256	274	264	2,352	206
Grand total, appropriations and limitations	31,995	30,771	31,612	227,729	32,633	31,503	32,092	246,373	33,479	32,298	32,951	263,805	31,479

Summary of personnel compensation

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate	1964 increase (+) or decrease (−) over 1963	
				Amount	Percent
Permanent positions	211,058	228,911	243,509	+14,598	+6.38
Positions other than permanent	1,982	1,691	1,810	+119	+7.04
Other personnel compensation	13,923	15,002	17,615	+2,613	+17.42
Fees	758	750	845	+95	+12.67
Excess of annual leave earned over leave taken	8	19	26	+7	+36.84
Total	227,729	246,373	263,805	+17,432	+7.08

Summary of obligations by objects

[In thousands of dollars]

		1962 actual	1963 estimate	1964 estimate	1964 increase (+) or decrease (−) over 1963	
					Amount	Percent
11	Personnel compensation	227,729	246,373	263,805	+17,432	+7.08
12	Personnel benefits	16,519	17,531	18,808	+1,277	+7.28
21	Travel and transportation of persons	13,214	13,236	14,074	+838	+6.33
22	Transportation of things	1,564	1,443	1,475	+32	+2.22
23	Rent, communications, and utilities	6,795	7,234	8,433	+1,199	+16.57
24	Printing and reproduction	1,723	1,717	1,835	+118	+6.87
25	Other services	9,536	9,374	10,121	+747	+7.97
26	Supplies and materials	13,459	13,711	14,298	+587	+4.28
31	Equipment	5,267	6,816	7,604	+788	+11.56
32	Lands and structures	7,373	6,964	13,133	+6,169	+88.58
41	Grants, subsidies, and contributions	206	203	203		
42	Insurance claims and indemnities	62	39	68	+29	+74.36
44	Refunds	25	25	25		
	Unvouchered	50	70	70		
	Deduct quarters and subsistence charges	−483	−502	−502		
	Total program costs	303,039	324,234	353,450	+29,216	+9.01
	Changes in selected resources	−4,308	−3,574	5,798	+9,372	+62.23
	Property transferred in without charge	−160				
	Total obligations	298,571	320,660	359,248	+38,588	+12.03
	Transferred to "General Services Administration"	97	145		−145	−100.00
	Advances and reimbursements from other accounts	−50	−50	−50		
	Proposed supplemental due to pay increases		−11,013		+11,013	+100.00
	Unobligated balances:					
	Brought forward [1]	−1,721	−1,632	−967	+665	+59.25
	Carried forward [1]	1,632	967	85	−882	−87.90
	Lapsing	994				
	Appropriation or estimate	299,523	309,077	358,316	+49,239	+15.93

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

A total of 846 additional positions are requested, including the Office of Alien Property and Federal Prison Industries, Inc.

We are pleased to have with us this afternoon the distinguished Attorney General of the United States, the Honorable Robert F. Kennedy. I believe you have a prepared statement, Mr. Attorney General.

Mr. KENNEDY. I do, Mr. Chairman.

Mr. ROONEY. Will you please proceed?

Mr. KENNEDY. Could I introduce Mr. Katzenbach and Mr. Andretta, who are here also.

Mr. ROONEY. I believe we have already met them.
Mr. KENNEDY. Shall I proceed, Mr. Chairman?
Mr. ROONEY. Please, if you will.

STATEMENT OF ATTORNEY GENERAL

Mr. KENNEDY. The last year has been one of considerable activity and progress in the Department of Justice. In many respects it has been a recordbreaker. Predictions of increased output by our various Divisions, which we made last year, were substantially correct.

When I appeared before you last January, I asked for increased appropriations, primarily for the Tax Division and the Organized Crime and Racketeering Section of the Criminal Division. Another substantial increase was for the Offices of the U.S. Attorneys and Marshals in the 92 districts around the country to meet the increased workload which we knew would result from the creation of the 73 new judgeships.

I am pleased to report to you today that the investment of these additional funds have produced results, not only in revenue to the Government but in increased general litigation. The statistics of each of the Divisions, which I will touch on briefly, speak for themselves.

The estimates of our needs for 1964 total $355,306,000 and represent an increase of $37,828,000 over this year's adjusted appropriations of $317,478,000.

There is no question that the large increase in our workload will continue in the next fiscal year. We are just beginning to feel the impact of the new judgeships and new legislation, for example. We are requesting a total of $5,021,000 to provide 818 new positions with related costs—550 in the FBI, 273 in the Bureau of Prisons, and 107 [1] for legal activities. You may be pleased to know that these increases are offset partially by a reduction of 122 positions in the Immigration and Naturalization Service staff. This will be a saving of $1,151,000.

It is interesting to note that the Department has yet to reach the overall total employment peak established in 1952—some 32,500 employees. We are close, now having 31,799 on the rolls, of whom 1,946 are lawyers. The largest increases in legal staffs in the last 10 years have been in the Tax Division (from 89 to 195); the Antitrust Division (from 208 to 272) and most of all in the U.S. Attorneys' Office (from 529 to 740, due chiefly to the increase in the number of judges and litigation in the judicial districts).

Sixty-eight of the seventy-three new judgeships have been filled and the rest will be shortly.

I might add, Mr. Chairman, we have appointed, I believe, about 124 judges since January of 1961 and I think there are about 23 or 24 vacancies at the present time.

Mr. ROONEY. Including the new 73?

Mr. KENNEDY. Yes.

Mr. ROONEY. Or the 60 some odd of the 73?

Mr. KENNEDY. Yes. That would mean we have appointed 60 above and beyond the ones that were created by the new bill through regular attrition and the ordinary appointments. We have been feeling the impact of the additional judges in that the summer months, ordinarily

[1] Tax, 30; criminal, 12; civil, 20; civil rights, 38; and U.S. attorneys and marshals, 7.

a slack season in the courts, saw all records broken in the volume of business.

We have been able to greatly increase the number of cases that we are handling, and we are making a great effort to break the logjams in court calendars in some of the heavily populated districts.

However, despite this effort, the number of cases being filed is steadily increasing. As a result, we have made only a slight reduction in the number of pending cases. I think this shows how much the new judgeships were needed and if Congress had not given this additional help, the situation now would be extremely critical, causing a great hardship on many citizens. The number of pending cases is still a serious problem for the courts but we hope and expect that the full effect of additional manpower and effort will show results in the near future.

We are asking for $14,465,000 of additional funds for the hard-core increases which are mandatory and statutory, and over which we have no control, such as the recent pay raises. Almost three-fifths of this amount will be needed for the pay raise due next January. The total cost of the pay raise for the Department of Justice comes to almost $20 million a year.

We also need $3,866,000 more to meet higher costs of doing business such as increases in postage rates; high prices for goods and services; increases in travel costs, communications, reporting, et cetera.

New construction in the prison system accounts for $14,476,000, most of which is for completion of the new psychiatric institution to be built in North Carolina.

TAX DIVISION

In the Tax Division, civil and criminal cases continue to increase and there appears to be no end in sight in this type of work. The volume of tax litigation rose 15 percent in fiscal year 1962 and is up 35 percent in the first half of this year.

In our monthly reports, Mr. Chairman, I might add that the increase is steady at an extremely high figure. It is not 5, 6, 8, or 10 percent but it is frequently up to 25, 30, or 35 percent over the previous month. There is greater increase in this area I believe than in almost any other work that we do in the Department of Justice.

While the Division's production increased satisfactorily, the new cases piled up at an even greater rate. In 1960, the Division received 5,783 new civil cases and 686 new criminal cases for a total of 6,469. In 1961, there were 6,159 new civil and 726 new criminal cases, adding to 6,885. In 1962, these jumped to 7,142 civil, 739 criminal and 7,881 total new cases.

You can see the increase over 1960 where it was 6,469. In these years, the Division closed 6,314 in 1960, 6,591 in 1961 and in 1962 closing increased to an unprecedented 7,373.

The significance of these figures is that in 1947 the Division received a grand total of 1,800 cases. There has been some additional backlog each year and that is a major reason we are asking for more lawyers in this Division.

Part of this increase can be explained simply by the fact that there is an increased number of taxpayers. There are more prosecutions

and more refund litigation. Another important reason is the stepped up enforcement work of the Treasury Department and the important role which the Tax Division of the Department of Justice is playing in the campaign against organized crime and racketeering.

In spite of the increase in new business, the Tax Division had a good year in fiscal year 1962. A record number of cases were concluded; over $100 million was secured in the Treasury; a new high was obtained in the margin of success in appellate decisions; and the number of persons convicted of criminal violations was the highest in 5 years.

A good start was made in a new three-pronged program aimed at better preparation and faster action in processing cases. (1) The Division was more aggressive in the defense of refund suits. More collection actions have been brought and use of receivers and equity proceedings have improved results. (2) The Division redoubled its efforts to collect delinquent taxes. (3) Division officials have worked with the courts and leaders of the bar in adopting practices to expedite and facilitate court disposal of cases. Thus, courts in Detroit, Chicago, Philadelphia, Miami, and New Orleans, among others, have introduced a special tax docket system.

The Tax Division is participating actively in the organized crime and racketeering program and a substantial number of corruptors have been convicted for violating the Federal tax laws. As I said, this phase of the Division's work will continue to increase.

The trial attorneys in the Tax Division have more than doubled the number of pretrial depositions (777) and interrogatories (166) which they have taken from taxpayers and prospective witnesses. This has increased the Government's knowledge of the taxpayer's case, has served to precipitate earlier settlements of many cases and where a settlement has failed, increased the Government's chances of winning at trial. In 1962, the Division also doubled the number of pretrial hearings (779) which are held to expedite cases and improve the Government's chances of winning.

This Division is prepared to continue its intensive program and with the continued support of the Congress, it is hoped that it will be able to keep up with the unprecedented rise in new business. Experience has demonstrated that with adequate funds and personnel, the Tax Division can do a very satisfactory job.

I might say that Mr. Oberdorfer, who is head of the Tax Division, is an outstanding lawyer and administrator. The increase of output by that Division is largely due to the reorganization he has made, the high caliber of the lawyers he has brought in, and the fact that he has not just stayed in Washington to run the Division. He has been around the country. He knows his job and his responsibilities as well, is extremely conscientious, and I think he has done an outstanding job.

Mr. ROONEY. I think Mr. Andretta would agree that over the years this committee has always cooperated to the fullest in building up the Tax Division personnelwise and supplied them with everything they needed so we might get increased revenues into the Treasury.

Mr. KENNEDY. Yes. I think it has really paid dividends, seeing the work that has been done lately. The Division did not ask for any increase last time, again because Mr. Oberdorfer is extremely

conscientious about the use of Government funds and what has happened over the period of the last year with the increased burden, there hasn't been any complaint by him or his people. But he has organized it well and I think that anything that can be done to assist him for the next year would be very helpful to the Government.

Mr. ROONEY. Of course, there have been very few years over the course of a long period of time when the Tax Division has not sought additional attorneys and additional moneys.

Mr. KENNEDY. I understand.

CRIMINAL DIVISION

Our record against crime generally, and against organized crime in particular, is encouraging. We have made significant progress in the past year.

We have a great deal left to do and far to go. It is just a beginning. Certainly based on the record that has been established over the past 2 years, the struggle is nowhere near over. It has just begun, but I do think a good deal of progress has been made over the period of the last 2 years.

I would like to give you some statistics to show what has been done and the areas in which increased effort has been made.

ORGANIZED CRIME AND RACKETEERING SECTION

The number of indictments and convictions in which attorneys of the Organized Crime Section participated during the past calendar year reflects this progress. In 1962 these attorneys were engaged in cases which resulted in 118 indictments involving 350 defendants and 86 convictions involving 138 defendants. This compares with 48 indictments involving 121 defendants and 24 convictions with 73 defendants in 1961, and 17 indictments with 49 defendants and 22 convictions with 45 defendants in 1960.

The information we are now receiving through current investigations is also much more significant. We are now able to follow the pattern of racketeering activities and thus to direct our investigative efforts toward the production of evidence which in the years ahead will result in important prosecutions.

We must not be misled, however, into thinking that this is a matter which can be accomplished in another year or two. I am satisfied that we will have to maintain our organized crime drive, and our personnel engaged in it, at full strength, over a period of several years to come.

The last Congress enacted several statutes designed to assist criminal law enforcement at the Federal level. Three of the most important of these statutes are designed to aid our antigambling drive. Sixteen months have passed since these three statutes were enacted and in that period of time the FBI has opened 5,361 cases under these 3 statutes alone. We have gambling investigations proceeding now in almost every State. Grand juries have returned 34 indictments involving 134 defendants under these 3 statutes and convictions have been obtained in 15 cases involving 41 defendants.

These three laws have had the immediate effect of forcing many of the Nation's major racing wire services and several telephone gam-

bling information services to shut down. Internal Revenue Service figures show a sharp decline in gambling in the past year.

Gambling, of course, is the source of the enormous profits which support other forms of racketeering. In one of the gambling cases, for example, we uncovered a numbers game operation which alone took in more than $20,000 a day and upward of $6 million annually. In another case in which the average daily bet was only about 30 cents, the annual gross of the operation exceeded $2 million.

Mr. ROONEY. Policy game?

Mr. KENNEDY. Yes.

Our antiracketeering drive, of course, is proceeding on many other fronts as well, such as narcotics, labor-management payoffs and, most importantly, corruption of public officials. I mention, for example, the guilty plea of Mayor George Chacharis of Gary, Ind., to charges of failure to report and pay taxes on more than $150,000 in payoffs from construction firms; the conviction in New York of Tony "Ducks" Corallo; Mike Coppola in Miami; Frank "Buster" Wortman in East St. Louis; and the Newport, Ky., numbers game operator, Frank Andrews. A number of Teamster Union officials, including Rolland McMaster and George Roxburgh, officials of local 299 in Detroit, have been convicted for accepting payoffs from employers.

Among the number of important indictments awaiting trials are, for example, Benjamin Dranow, already convicted for tax evasion and mail fraud, now indicted in Minneapolis for jumping $25,000 bail; August J. Lippi, president of United Mine Workers District No. 1, charged with embezzling more than $300,000 from a Pennsylvania bank, who tried to flee the country last month; Matthew Rubino, charged in Detroit for a $100,000 retail sales fraud; and James G. Cross, former president of the Bakery and Confectionery Workers Union, who was indicted for embezzlement and conspiring to fix his trial for perjury.

Much of the future success of our organized crime drive rests upon the continued coordination of the work of 26 government investigative agencies. Very significant progress has thus far been made. These agencies now send to the Criminal Division data concerning more than 1,100 racketeering figures. This accumulation of information in one place has already been of tremendous assistance to the Criminal Division and the Tax Division in the prosecution of cases.

This coordinated effort will, as I have said, become more important each year as more data become available. It is to speed this coordinating process that we are requesting an increase in personnel for fiscal year 1964. This increase would provide for 10 clerks and 2 secretaries in the Organized Crime and Racketeering Section to accelerate the work now being done in processing the data received from all the investigative agencies.

CIVIL DIVISION

As you know, the Civil Division handles the general litigation of the Government and all Federal departments and agencies depend on this Division for effective representation in the courts. This responsibility involves an extraordinary volume and variety of cases since it includes virtually all legal actions brought by or against the

Government which do not fall within the specialized fields of the other Divisions of the Department.

During the past fiscal year, the Division worked on a total of 24,970 cases. Of the total of 9,407 cases concluded during fiscal 1962, 4,124 were suits against the United States claiming $247,475,000 in which plaintiffs' recoveries were held to 5¾ percent of the total claimed. The remaining 5,283 cases were claims brought by the Government for $91,840,000, of which it recovered about 48 percent. As of December 31, 1962, there were some 15,000 cases pending involving about $1,321 million.

OFFICE OF ALIEN PROPERTY

The total authorization requested for the Office of Alien Property is $874,000 for fiscal year 1964, an increase of $184,000. As you know, this is not a request for appropriated funds, but a request for authority to use nonappropriated funds obtained from the vesting of enemy property.

This increase of $184,000 is needed to expedite the closing of this Office and the completion of its business. I have had an intensive study made of the Office of Alien Property to determine the quickest way to wind up its affairs. This study indicates by hiring six more attorneys, two property liquidators, and additional stenographic personnel we can hasten the completion of the Office's functions.

It is expected that with the increase for this year and next, the Office will, by the end of fiscal year 1965, terminate the business and property liquidation; close its claims-processing functions; and practically complete its litigation functions. The little litigation that will remain at the end of fiscal year 1965 can be absorbed by the General Litigation Section of the Civil Division.

LANDS DIVISION

The Lands Division is not asking for any increase in its appropriation other than the amount required to comply with statutory requirements.

Land acquisition continues to be a large part of the Division's work. The acquiring agencies have estimated that 72,672 tracts of land will be referred to this Division for acquisition during the current and next fiscal years. If agency estimates are accurate, this will average more than 36,000 tracts per year which will far surpass any peacetime year.

During fiscal 1962, the Division received 19,982 tracts of land for acquisition by either direct purchase or condemnation proceeding. This was more than had been received in any fiscal year since 1944. For the first 6 months of the current fiscal year, the tracts received for acquisition have increased by 2 percent. It is estimated that there will be a much greater increase during the next 6 months.

During the last 18 months, by such moves as asking for small tracts condemnation cases on a mass basis, asking the Indian Claims Commission to hear 50 percent more cases, the Lands Division has been able to increase its production. By overhauling office procedures and by eliminating duplication in appraisal costs, it has been able to reduce expenditures.

During the 1962 fiscal year, the Division was able to close 23,845 tracts. This was an increase of 32.5 percent over the previous fiscal

year (the highest in 8 years), and was more than were closed in any fiscal year since 1945. The important fact is that 11,361 of these tracts were in condemnation and an increase of 77 percent over the previous fiscal year.

Our production has continued to increase in the closing of condemnation tracts during the current fiscal year. For the first 6 months, 6,469 tracts were closed which is an increase of 64 percent over the 3,950 closed during the first 6 months last fiscal year and is more than the Division closed during the entire 1961 fiscal year. This has been accomplished without an increase in appropriation or authorized positions.

The defense of Indian claims continues to constitute a major factor in the work and expense of the Division. In order to expedite these cases, strict limitations were placed on our staff's requests for extensions of time. As a result, during fiscal 1962 our request for extensions totaled approximately 2,000 days as compared with 7,000 sought by attorneys of Indian tribes.

In addition to land acquisition and Indian claims, the Division handles a great variety of general litigation. This involves the defense of claims against the United States running into millions of dollars and the protection of natural resources, water interests, and real property of the Government.

CIVIL RIGHTS DIVISION

Last year, Mr. Chairman, we made no request for increases in the legal staff of the Civil Rights Division. We thought we could get along with the relatively small staff that we had, 40 attorneys and 41 nonlegal personnel.

In the past year, the volume of work in the Civil Rights Division, particularly in the amount required in voting registration cases, has increased beyond the capability of the staff as it is presently constituted.

Therefore, Mr. Chairman, we are requesting an increase in the present staff of from 81 to 119. This would include 16 additional lawyers, increasing the legal staff from 40 to 56.

IMPACT OF OXFORD, MISS. MATTER ON TOTAL BUDGET

Mr. ROONEY. Can you give us an approximation of the impact that the Oxford, Miss. matter made on your total budget for the Department of Justice?

Mr. KENNEDY. Yes. I think we can give you those figures.

Mr. ANDRETTA. $406,000 as of October 31 and it has been running about $15,000 a month since then.

Mr. BOW. How much a month?

Mr. ANDRETTA. About $15,000.

Mr. ROONEY. Are you including the lawyers in the Department of Justice, the marshals and everybody else who was used?

Mr. ANDRETTA. The total out of pocket extra cost to the Department. That is right.

Mr. ROONEY. Will you submit the details with regard to this at this point in the record, please?

Mr. ANDRETTA. Yes, sir.

(The information requested follows:)

MISSISSIPPI OPERATION

Statement showing estimated out-of-pocket expense through Dec. 31, 1962

	Object classification	Criminal Division	Civil Division	Civil Rights Division	U.S. attorneys	U.S. marshals	Immigration and Naturalization Service	Bureau of Prisons	Total
11	Personnel compensation (overtime and premium pay)	$1,018	$246	$1,029	$295	$50,888	$119,706	$21,625	$194,807
21	Travel and transportation of persons	2,174	4,032	9,361	9	66,014	46,704	7,145	135,439
23	Rent, communications, and utilities	1,500	995	117	187	20,922	588	20	24,329
24	Printing and reproduction	300							300
25	Other services	1,249	106	4,138		1,677	11,668		18,838
26	Supplies and materials	50	110			60,463	7,214	2,599	70,436
31	Equipment	300	601			50			951
	Total	6,591	6,090	14,645	491	200,014	185,880	31,389	445,100

Mr. KENNEDY. Over the past 2 years the Department's policy has been to have candid communication with local officials and community leaders. Legal action has been brought only after a sustained effort has been made to have voluntary action taken locally to remedy violations of Federal law.

I might say there, Mr. Chairman, we have not brought a case in the Civil Rights Division in these areas without first contacting the local official, either the county officials or the State officials or the attorney general of the State, and calling to their attention what appears to us to be a violation of law. We outline to them what action we feel we are required to take and ask them if they could remedy the situation themselves, if they have any explanation for a particular practice and to see if there was some point that we missed which would excuse what we felt to be a violation of the law and see if we could work it out on an amicable basis.

We therefore have brought law cases only after this effort to reach an amicable settlement has failed.

In my opinion, the most significant accomplishment in this field has been the degree of voluntary action taken by local officials and citizens of the South to correct inequities and end discrimination in voting, transportation, education, employment, and housing.

Of course, this is an area that does not receive as much attention as the situation, for instance, in Mississippi, or the year before, the freedom riders in Alabama.

Much more needs to be done in the field of civil rights. But as we move ahead in this area, we should not overlook that much has been accomplished.

The Division's major effort has been to end racial discrimination in voting. Since enactment of the 1957 Civil Rights Act which authorized the Department to take action against voting discrimination, the Division has filed 25 cases. Nineteen of these have been filed since January 1961. Active investigations are under way in more than 40 other counties.

Under the same act, the Division has acted promptly when there has been evidence that Negroes are being intimidated while attempt-

ing to exercise their right to vote. Seven such cases have been filed to date, four since January 1961. Investigations of reported intimidation are in progress in 17 other counties. These cases, Mr. Chairman, have been very effective. In 2 Tenneessee counties, for example, consent judgments were entered last year against some 125 defendants who were charged with intimidating and coercing Negroes. Before these judgments were entered, only 60 Negroes were registered to vote in both counties. However, more than 5,000 Negroes are now registered in these counties.

The 1960 Civil Rights Act authorized the Department to make formal or informal demands to inspect and copy voter registration records. This has been done in 82 counties and additional demands are contemplated or in preparation. This involves tedious, painstaking work. During the past year we photographed more than 200,000 voting registration records and examined and analyzed more than 80,000. More trained personnel are needed urgently for this work since these records have proved to be the heart of the voting discrimination cases. This illustrates why the present staff is not adequate to meet the demands placed upon it. Another reason is the Department's responsibility under the program developed with the Department of Health, Education, and Welfare to eliminate discrimination against the children of servicemen and civilian personnel of the Armed Forces in impact area schools.

In the field of transportation there has been great progress. The majority of segregated bus and railroad stations were desegregated in 1961 in accordance with new ICC regulations requested by the Department of Justice. All the others, except one, were desegregated last year. During 1962, we surveyed 165 airports and found 15 in 6 States which were still segregated. All of these were desegregated during the year, 13 voluntarily and 2 after the Department brought legal action.

The Division continues to be active both informally and in amicus participation in court in school desegregation to encourage and assist local officials and community leaders. In most instances the response has been affirmative and effective. Again, as in 1961, many school systems were desegregated for the first time without violence or disorder.

I am sure you are all familiar with the *Meredith* case. The Department of Justice entered the case in September when it was evident that the Governor and other officials of the State of Mississippi were going to interfere and obstruct the orders of the Federal courts to admit James Meredith to the University of Mississippi. I might point out that during the legal proceedings in the courts the University of Mississippi never contended that it was a segregated institution. The university officials always testified that the institution was integrated, but for some reason or other Mr. Meredith was not acceptable.

For a period of more than 2 weeks we sought to persuade the Governor to not interfere with the courts' orders and to meet his responsibilities to maintain law and order. As you are well aware, ultimately it was necessary to send a force of marshals and later Federal troops to prevent interference with the courts' orders.

Mr. Meredith's enrollment and his continued attendance as a student required a detachment of soldiers and marshals to remain on the scene to insure that there was no interference with the courts' orders.

INTERNAL SECURITY DIVISION

The Internal Security Division has concentrated the past year on moving against the Communist Party and its officers and members under the registration provisions of the Internal Security Act of 1950 which the Supreme Court upheld in 1961.

The Communist Party, U.S.A. was tried and found guilty by a jury in the District of Columbia for failure to register as an organization substantially dominated and controlled by the Soviet Union. The judge imposed a fine of $120,000—the maximum possible. The case now is on appeal.

The two top leaders of the party, Gus Hall and Benjamin Davis, were indicted on charges of failure to register for the Communist Party. They are awaiting trial.

During the year, the Division also filed petitions with the Subversive Activities Control Board against 14 members of the national committee of the Communist Party for failure to register as individual members of the party. The Internal Security Act requires that the SACB hold hearings on each individual member to determine whether an order requiring an individual to register should be issued. Hearings were completed on 11 of these cases and orders to register were entered by the Board on 10. A decision is now pending in the other case.

Soviet bloc officials and agents in this country remain as active a threat to our national security as ever. On October 5, 1962, a Federal grand jury in New York indicted an American sailor, Yeoman 1c. Nelson Cornelious Drummond, on two counts for having conspired with four Soviet nationals to deliver national defense information to the Soviet Union and on a second count for attempting to deliver national defense documents to two Soviet officials, Evgeni M. Prokhorov and Ivan Y. Vyrodov, second and third secretaries of the Soviet mission to the United Nations. All of the Soviets involved enjoyed diplomatic immunity.

I might say the FBI did a tremendously outstanding job in that case.

On November 21, 1962, a grand jury in the Southern District of New York returned a two-count indictment against an attaché in the Cuban mission to the United Nations, Roberto Santiesteban Casanova; and Jose Garcia Orellana and Antonio Sueiro, on charges of conspiring to violate our sabotage laws and to serve as agents of the Castro government without prior notification to the Secretary of State. Also named as coconspirators but not as defendants were two other members of the Cuban mission who enjoyed diplomatic immunity and shortly thereafter returned to Cuba at the request of this Government.

I might say, Mr. Chairman, 20 attorneys of the division are involved in enforcing the registration provisions of the Internal Security Act.

ANTITRUST DIVISION

The Antitrust Division also has a continuing increase in enforcement activity. In fiscal year 1962, antitrust fines and recoveries totaled $1,220,500; and during the first half of fiscal year 1963 the damage settlement with General Electric secured over $7.4 million for the Government, which exceeded the 1963 appropriation for the Antitrust Division.

Mr. ROONEY. How does that compare with the previous year?

Mr. KENNEDY. Some of these figures can be misleading. The following year it was up to $7.4 million for the Government, which was primarily out of the ——

Mr. ROONEY. That was out of the so-called *Electrical* case?

Mr. KENNEDY. Yes.

Mr. ROONEY. We will get that from the Antitrust Division.

At the beginning of this fiscal year there were 180 antitrust cases pending, an increase of 43 over the prior year. In the last 6 months the Department filed 44 antitrust cases and closed 47.

The Antitrust Division has been striving to follow this committee's recommendation to seek significant results. It has been insisting upon effective antitrust decrees in all cases settled. For example, the consent judgment in the *General Electric* case prohibits price fixing as to all heavy electrical products, rather than merely as to the specific products involved in the indictments. Thus, this single judgment is broader than all of the 18 judgments originally sought would have been in combination.

Mr. ROONEY. I wonder if you would have offhand the information as to the number of antitrust cases tried last year? This is one of the large activities of the Department of Justice.

Mr. KENNEDY. This might be of some interest to you. It does not directly answer your question, Mr. Chairman. During the 2-year period of calendar year 1961–62 the Antitrust Division terminated a total of 119 cases.

Mr. ROONEY. That would include the so-called *Electrical* cases that were already on the way.

Mr. KENNEDY. That is right, 47 since 1961, 72 in 1962 of which the *Electrical* cases would have been a substantial percentage.

Mr. ROONEY. We will get the information from the Antitrust Division.

Mr. BROWN. There were 12 cases tried last year.

Mr. ROONEY. How many were won?

Mr. BROWN. I do not have the information concerning the outcome.

Mr. ROONEY. We will also get that information.

Mr. KENNEDY. There were two cases that were lost last year.

Mr. ROONEY. Please proceed, Mr. Attorney General.

Mr. KENNEDY. Of the 19 civil cases in the electrical industry, 17 have been terminated and all but one of the defendants have consented to judgments in the other 2 cases.

The policies of filing decrees 30 days before entry and of insisting upon effective decrees somewhat diminished the terminations in 1962. However, indications are that these policies are now accepted, that the number of cases terminated by consent will remain about the same as in the past and that the Department will secure more effective antitrust decrees and enforcement.

The Department is not asking for any additional money to enlarge the Antitrust Division staff.

U.S. ATTORNEYS

This year we are asking for only four additional positions for the U.S. attorney's offices. This is necessary because a new middle district of Florida has been created.

The increased staff authorized for this year has enabled us to cope with the increased work of the new judges. In the first 6 months of this fiscal year, case filings have risen 6.47 percent and cases terminated increased 11.19 percent over a year ago.

Despite an influx of 28,668 new cases in the first 6 months of fiscal year 1963, the U.S. attorneys and their staffs managed to close out 26,838 cases—2,700 more than in fiscal year 1962.

Last year more cases were filed and terminated; more were tried; we held more grand jury proceedings; and more criminal and civil matters were received than in the preceding year.

I have visited 23 of the U.S. attorneys' offices in all sections of the country and I have conferred with 63 of the U.S. attorneys in the field. I hope eventually to visit all of the offices, but from my observations thus far, I would say it would be difficult to find a harder working or more dedicated group of Federal officers. In speaking to the U.S. attorneys at their annual conference in October, I asked that a 25-percent reduction in the pending caseload be made by the end of the fiscal year. Based on present production figures, there are good prospects of reaching this goal.

MERIT INCREASES FOR ASSISTANTS

We are requesting the continuance of the $300,000 for merit increases for assistants. These young attorneys are not eligible for within-grade promotions, as other Government attorneys are, consequently, the only way in which their salaries can be increased is through these merit increases.

In order to attract and keep able young lawyers, we have to offer them incentive. Today we find a highly competitive market for lawyers and we have to be able to offer them something more than an opportunity to broaden their legal experience. After the favorable action of this committee last year, we established a promotion plan under which assistants receive annual increases ranging from $500 to $1,000, depending on the caliber of their work. While we have lost some good men to other Government agencies, nevertheless, our promotion plan has been very effective in helping us to keep our experienced assistants. Considering the complexity of the cases these young men handle, such as narcotics conspiracy cases, securities fraud cases, and income tax evasion cases, I think you will agree that they are not overpaid.

U.S. MARSHALS

Most of the increase of $545,000 for the U.S. marshals is necessary because of statutory requirements, including additional pay costs in 1964—$37,000 is requested for three additional positions and related costs incident to the establishment of a new judicial district in Florida.

The increases in judges and in court activities have resulted in an increase in the marshals' work. In addition, more and more emergency situations have placed greater burdens on the marshals in carrying out court orders, maintaining order in the courtrooms, and the like. Such added burdens require large amounts of overtime and sometimes additional temporary deputies to cope with normal, everyday functions, especially since we must provide efficient service to the courts and litigants.

Certain instances have arisen where the lives of witnesses and their families have been threatened and it has been necessary to protect them with deputy marshals.

FEDERAL BUREAU OF INVESTIGATION

The Federal Bureau of Investigation request provides for an additional 550 full-year employees (200 agents and 350 clerks). The Bureau's work has been steadily increasing in all areas and the additional personnel is needed to keep abreast of it.

Briefly, the Bureau plans to utilize 225 of the additional clerks to handle increasing service function work at its headquarters in connection with fingerprint checks, name checks, and scientific examinations. The volume of fingerprints received during the fiscal year 1962 exceeded any volume received over the past 16 years. The scientific examinations handled by the FBI Laboratory, which have been steadily increasing since 1950, rose to a new alltime high. This service function work is of great assistance to a wide range of other agencies. The cooperative services of the FBI's centralized fingerprint file and its scientific laboratory benefit law enforcement at all levels throughout the country and represent a potent weapon in our fight against crime.

The remaining 325 employees (200 agents and 125 clerks) are for assignment in the field service where the Bureau has been hard pressed to meet a growing amount of investigative work. Contributing substantially to this is the work accruing from new legislation enacted since the fall of 1961 to bolster the Government's drive against organized crime. By December 1, 1962, the FBI had opened a total of 9,721 cases as a result of this new legislation and, thus far, no provision has been made for additional funds or personnel to handle it.

In addition, there continues to be a heavy volume of work in connection with the numerous major criminal classifications under the Bureau's jurisdiction. Much of this work requires immediate and often widespread investigative activity and places growing demands on the field investigative staff. The work in this overall area is expected to further expand. At the same time, the FBI has had to cope with expanding problems in regard to its internal security operations. Because of the broad increases in the investigative work, the Bureau is finding it increasingly difficult to handle the work on a current basis and there is a backlog in all categories.

It is such factors as these that make it necessary for the Bureau to have additional manpower.

IMMIGRATION AND NATURALIZATION SERVICE

As mentioned earlier, the budget of the Immigration and Naturalization Service reflects a reduction in force. After discussions with Commissionner Farrell, it was determined that the Service could eliminate 122 positions and still carry out, among other things, its responsibility to prevent unauthorized departure to Cuba by private aircraft. The reduction in positions is recommended even though workload volumes are rising because we anticipate increased employee productivity.

International travel still grows substantially each year. In the fiscal year 1962, over 4½ million more persons entered the country over land borders than in the previous fiscal year, and 252,000 more passengers arrived by sea and air than in the previous year. This trend will continue as additional emphasis is placed upon encouraging foreign visitors to the United States.

Mr. ROONEY. Of course, these figures include the people who continuously go back and forth across the Canadian and Mexican borders.

Mr. KENNEDY. That is right; as international crossings are improved and added; and as transportation facilities are expanded.

Also, in the last fiscal year, 111,000 more nonimmigrants were admitted and 12,000 more persons emigrated than in the previous fiscal year.

The Chinese refugee program was started last May to parole into this country a number of Chinese nationals from Hong Kong who were immigrant visa applicants. By the ned of December, the Service had authorized the parole of over 5,100 Chinese refugees. We expect that an additional 6,500 will be paroled by October 1.

Mr. ROONEY. The purpose of this was to get rid of their cases and close the slots so that we do not have to spend any more money playing around with them. Is that not about it?

Mr. KENNEDY. That is one aspect of it. The other was the humanitarian situation, where there was a great influx into Hong Kong about 8 months ago and they lacked facilities to care for some of them. We wanted, at least, to indicate through a token fashion we were interested in the problem. We concentrated, Mr. Chairman, on bringing in children.

Mr. ROONEY. A great many of them were alleged children of alleged parents?

Mr. KENNEDY. Yes, but still they are little children. That is the area that we tried to do as much as we could.

The service conducted more than 50,000 investigations last fiscal year, including 12,000 of persons engaged in criminal, immoral, narcotic, and subversive activities. More than 7,600 aliens were deported during the fiscal year 1962. Criminal, immoral, or narcotic charges formed the basis for 682 deportations of which aliens under subversive charges or with subversive backgrounds accounted for seven.

Over 54,000 other aliens were otherwise expelled from the United States. While control of the borders is maintained, an average of 100 deportable aliens were apprehended each day during the year.

An upward trend in the volume of naturalization petitions is predicted for 1964.

I might say, Mr. Chairman, that Mr. Farrell, whom you know well, has done an outstanding job as head of the Immigration and Naturalization Service; that in this area, where we had the emergency problem about the Chinese in the handling of the Cuban refugees, the handling of the Cuban prisoners, the setting up of the Interrogation Center in Florida for the Cuban refugees coming out, the organization of the Cubans that are here in the United States, where they are, their backgrounds—a lot of this was handled by Mr. Farrell. I was struck with the fact of his knowledge of his responsibilities and the ability to cut through redtape and get things done in a quick but order fashion and the fact that he has raised the morale of the Service tremendously, has focused attention on those who have

ability and a willingness to get the job done, and he has been an outstanding public servant.

Mr. ROONEY. From where I sit, with one of the largest if not the largest concentrations of immigration employees in the city of New York, I think that he has surely built up the morale of his Service.

Mr. KENNEDY. Very much.

Mr. ROONEY. To an unusual extent.

Mr. KATZENBACH. May I add to that he came to me and said by rearrangement of assignments, I think we can eliminate some people. This is reflected in the budget this year and that shows concentration on this job.

Mr. ROONEY. Very good.

COMMENDATION TO MARSHALS

Mr. KENNEDY. Could I say a word about the part of the marshals?

Mr. ROONEY. Yes, surely.

Mr. KENNEDY. I think that they had a good deal in the newspapers about the marshals, particularly the ones that served down in Oxford.

Mr. ROONEY. I should point out to the new members that Mr. Katzenbach and Mr. Guthman, who are seated back there, were both on the scene during the activities at Oxford.

Mr. KENNEDY. And will be available if there are any detailed questions.

We looked into this quite extensively as there were charges made in connection with the marshals' activities there. I think they handled themselves with a great deal of courage, a great deal of forbearance and intelligence. I will say that I think the morale of the marshals has gone up and I think it is due to the fact they have somebody down there—James McShane—who is a career law-enforcement official, who knows their problems, and who can talk to them on an individual basis. I think he has done an outstanding job. I have been extremely well impressed with the marshals we have had, plus the group that came from the Immigration and Prison Services. About 80 percent of them were southerners and they did an outstanding job. A number of them came to see me afterward and I was very impressed with them. One hundred and seventy-nine of five hundred and fifty were wounded and yet under very difficult circumstances they withheld their fire. They were shot at and they did an outstanding job. I think the marshals generally around the country have done very, very well. They are underpaid, in my judgment, many of them, but they are very dedicated to the United States.

FEDERAL PRISON SYSTEM

Mr. ROONEY. Now we come to the Prison System.

Mr. KENNEDY. In the past year the Bureau of Prisons stressed the treatment of young offenders. The programs at the youth institutions have been intensified in the hope of aiding and assisting a greater number of young people to lead useful lives. The Bureau established a new Division of Research and Development which is oriented toward the problems of youth. The new Division is coordinating the programs of the Bureau with the President's Comittee on Juvenile Delinquency and Youth Crime and with the State and private agencies.

HALFWAY HOUSES

The Halfway Houses, which have now completed their first full year of operation, appear to be highly successful. More than 150 boys have already passed through these centers and only a handful have been involved in further trouble after their release from the centers. This contrasts with the parole violation rate approaching 50 percent of young offenders who have not had this advantage.

I might say that we have three, Los Angeles, Chicago, and New York. We are going to open another one in Detroit and I have asked Mr. Bennett to discuss this with you when he appears about opening perhaps two others, in addition to that one in the South and perhaps another one in the Midwest. They have been extremely effective.

As you know, we started on a sort of a pilot basis. They have done well and we would like to expand it if it meets with the committee's approval.

The Government's investment in this program is relatively small, but it is paying dividends, which will continue to be returned during the lifetimes of the boys.

CLOSING OF ALCATRAZ

We have, as you know, decided to close Alcatraz, and we are already rapidly phasing it out. We have already transferred several groups of prisoners from the island, and we hope to have the balance out sometime in April.

The operation of this penitentiary has given increasing trouble during the past year, with two escape attempts and repeated plant emergencies. For example, an electrical breakdown left the island without cooking facilities over the Christmas holiday. Personnel worked day and night to get the electrical system repaired, only to have it break down even more seriously a few days later. We could have spent millions to renovate this old institution and still have untold maintenance problems and unnecessary expenses.

Mr. ROONEY. If you recall, the lowest estimate we had as of a year ago last fall would have some to almost $5 million.

Mr. KENNEDY. That is correct.

Mr. ROONEY. Just to put it in order?

Mr. KENNEDY. That is right. Then it was so much more expensive to run as compared to our other prisons and institutions where the cost per man amounts to about $5.35 a day. At Alcatraz, it is $13.26 a day.

Mr. KATZENBACH. Personnel problems, too.

NEW FACILITIES

Mr. KENNEDY. New facilities: Our request for buildings and facilities this year totals $17,775,000 most of which is needed for construction of a psychiatric center at Camp Butner, N.C. Since last year, the estimated costs of this institution have been reduced by $1,235,000, partly through the acquisition of a site at no cost to the Government.

The State of North Carolina, Mr. Chairman, through the Governor, made the arrangements of entering into this arrangement with the U.S. Government which is going to be extremely helpful to us.

The $14,300,000 that we are now asking is, in our opinion, the very minimum required to complete the institution.

We are requesting $700,000 in connection with replacement of the National Training School. Planning money was authorized last year. A suitable site has been found near Morgantown, W. Va., and the funds requested will cover the purchase of this site; enable us to prepare the plans and specifications.

Mr. ROONEY. You were not successful in making a similar arrangement to the one in North Carolina?

Mr. KENNEDY. You mean having the property donated to us?

Mr. ROONEY. Yes.

Mr. KENNEDY. The answer is "No," but it is a very nice site, is it not?

Mr. SLACK. I am with you, Mr. Chairman.

Mr. ROONEY. Very well, Mr. Slack.

Mr. KENNEDY. The requests also include planning money for a western institution for women. The commitments of women from the Federal courts on the west coast are increasing. Because the women's unit at Terminal Island near Los Angeles is overcrowded, many of these women must be sent across the country to Alderson, which also is crowded.

We also propose to open another prison camp on an Air Force base on the west coast. You are already familiar with the economical operations of camps on Air Force bases and the savings made possible by avoiding the costs of new construction.

FEDERAL PRISON INDUSTRIES, INC.

The costs of the Bureau's operation are significantly reduced by the efficient and productive administration of Federal Prison Industries, Inc. The corporation has just completed its most successful year, with sales of goods and services totaling about $38,500,000 and net earnings $7,800,000. Very shortly the corporation will pay another $4 million dividend into the Treasury, a contribution which I am sure this committee will not overlook in weighing the total requests of the Federal Prison System for 1964.

In conclusion, Mr. Chairman, I would like to point out that the Department of Justice is unique in that (other than the prisons system) 90 percent of the cost of its operation is entirely for personal services, most of which are of a highly professional character. Thus, the successful operation of the Department depends by and large on the career employees and they are very dedicated men and women, rendering important service to their fellow citizens. I find my respect for their capabilities and dedication growing daily. And so when I come before you and request an increase in our budget of this size, I do so with the conviction that it is necessary and the Government will be getting more than 100 cents for every dollar invested.

Mr. ROONEY. Mr. Attorney General, we thank you for a highly informative and interesting statement. Your report of the activities of the Department of Justice as set forth in this statement would lead one to issue a commendation to you and your associates for the job that you have done.

Mr. KENNEDY. Thank you, Mr. Chairman.

Mr. ROONEY. Mr. Slack?
(Discussion off the record.)
Mr. ROONEY. Mr. Smith?

CIVIL DIVISION

Mr. SMITH. Mr. Attorney General, I noticed there does not seem to be too much in here about the Civil Division. I assume it has no particular significance?

Mr. KENNEDY. No, it does not. Of course, this is not the reason there is less but we have had a changeover in the Civil Division. Mr. Orrick, who was the head of the Civil Division, always said it was the best Division in the Department of Justice and was an extremely good organizer. He went over to the State Department, mostly because they needed his organizational talents over there, so we have been without a head of the Civil Division. We have had an acting head for the last 6 months but we just brought in Mr. John Douglas, who is an outstanding lawyer here in the District of Columbia, and he has just taken over his responsibilities within the last week. There is no reason not to have given a more extensive report and you can hear from Mr. Guilfoyle who has been the acting head and Mr. Douglas the details.

I will be glad to answer any questions that you might have but there is no significance.

Mr. SMITH. If I could go off the record just a few minutes?

Mr. ROONEY. Very well.

(Discussion off the record.)

Mr. SMITH. That is all.

OFFICE OF ALIEN PROPERTY

Mr. ROONEY. Mr. Attorney General, I have just now noticed that we passed over the matter of the Office of Alien Property in which you have a request for an increase of $184,000. Of course, as you say in your statement, this is not a request for appropriated funds, but a request for authority to use nonappropriated funds obtained from the alien property. Is it correct that the General Aniline & Film Corp., which has been the bulk of the activities in this area, had its best year in history insofar as profits were concerned?

Mr. KENNEDY. Yes, they did. I think profits were almost up 100 percent.

Mr. ROONEY. It is my information that not only the Director whom you appointed to the General Aniline & Film Corp., but also Mr. Paul Myron of your office, had something to do with this?

Mr. KENNEDY. Yes. Well, first we came in and we reorganized it some because it really had become a political football. We tried to get directors and as you know they receive only a nominal fee of $200 when they attend meetings, so it was not a question of just going on and making something. There was a lot of money going out in areas where it should not have been spent. There was a drastic cut there for expenses and a lot of the profit that has come in is just due to the fact that this company is now being run as a company should be run. There are limitations on its effectiveness just because

the Government owns it and they cannot go into certain areas they should be able to go into.

They should be able to give stock options to employees who do well, and other things that they cannot do. I hope with the bill passed last Congress to make arrangements for the sale of it—it has done well and the profits, I think, are up about 100 percent. We have put career employees at the top of it and the Board of Directors, as I say, has run it in a dedicated way to try to get it back on its feet and get its name to mean something, not just as someplace where political friends of the Attorney General were placed or friends of the particular administration.

I think it has been run well.

Mr. ROONEY. It must have been if the profits are up 100 percent. That is obvious.

Mr. KENNEDY. It has a lot of good things, too. The film used by most of the astronauts, without any pressure from us, was Ansco film produced by the company.

The camera that was used by John Glenn was a modified Ansco autoset camera and it was from General Aniline. It has a lot of great things going for it.

Mr. Bellino did some of the accounting work and cut down on the expenses that had been going to an accountant so there were a lot of things done and I think it has been well run.

The head of it, Dr. Werner, is an outstanding man and has been with the company for a long period of time. I met with him and some of the other officers and top employees and told them they were in charge of the company and if they did not do well, we were going to replace them with other people. I told them we would not interfere with the operation of the company. I think it has had a good effect on morale.

Mr. ROONEY. Mr. Bow?

REQUIREMENTS FOR INCREASED FUNDS

Mr. BOW. Mr. Attorney General, according to the statement of the chairman as to your activities, I am at a little bit of a loss to know with such an excellent job being done, you need more money.

Mr. KENNEDY. I think that can be explained. Part of it was because Congress passed a bill, and rightfully so, that there should be an increase in compensation paid to employees of the Government, not only this Department but others. I think that amounts to $20 million a year.

We are building a psychiatric hospital in North Carolina and that is $15 million. The increase as far as personnel of the 850 or 900 personnel, two-thirds of it is FBI. A lot of that comes from the fact that we had six major crime bills passed by Congress which has increased their work.

Mr. BOW. Were those all passed in the last session of Congress?

Mr. KENNEDY. Yes.

Mr. BOW. Are you now talking about the bills passed in the 87th Congress?

Mr. KENNEDY. No; the last 2 years.

Mr. BOW. All in the last 2 years?

Mr. KENNEDY. Yes.

Mr. ROONEY. Would the gentleman yield to me at this point?

Am I correct in saying that $14.5 million of the requested increase is for matters which are entirely statutory and over which there is no control by the Department of Justice, as the result of laws passed by the Congress?

Mr. KENNEDY. That is right.

Mr. ROONEY. That $3.8 million is in connection with higher postage rates and an increase in cost of doing business?

Mr. KENNEDY. That is right.

Mr. ROONEY. That $14.5 million is for prison construction, most of which is already authorized and in the process?

Mr. KENNEDY. That is correct.

CONSTRUCTION IN NORTH CAROLINA

Mr. BOW. Are we in the process of construction in North Carolina?

Mr. KENNEDY. Yes, sir. We are getting the property and we made arrangements and got approval. I think we are ready to go ahead with it.

Mr. BOW. There is no actual progress of construction?

Mr. ANDRETTA. Just planning money for this year.

ABSORPTION OF INCREASED PAY COSTS

Mr. BOW. How much of the pay increase of last year has been absorbed?

Mr. ANDRETTA. Not very much.

Mr. BOW. As I recall the message of the President, it suggested there be some absorbing of some of these pay increases in order that we could have some tax reduction this year.

To what extent have you absorbed?

Mr. ANDRETTA. As the Attorney General pointed out, most of our money goes for salaries. The only way we can absorb any money is to drop people or not fill vancancies and that is pretty slow going. We are absorbing a small part but not too much.

Mr. BOW. When you say "small," what do you mean? Give me some idea.

Mr. BROWN. Around 1 percent, Mr. Bow.

Mr. ANDRETTA. That would be about $200,000 on the overall basis annually.

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

Mr. BOW. Yes.

(Discussion off the record.)

IMPACT OF NEW STATUTES ON WORKLOAD

Mr. BOW. Mr. Attorney General, in your statement of last year—and this may be a proper question for us to ask Mr. Hoover—I wondered if you would know the answer to this: You said in your statement under the Criminal Division:

> * * * the impact of new statutes already has had a substantial effect upon our workload. The FBI has estimated that 1962 may have as many as 10,000 cases referred to the Criminal Division for analysis and determination as to prosecution just under the five new statutes * * *.

Do we have any record of what those five new statutes amounted to?

Mr. KENNEDY. As I think I said in my statement, the FBI has opened up 9,700 cases.

Mr. BOW. Under those five statutes?

Mr. KENNEDY. Yes.

Mr. BOW. 9,700 cases under those 5 statutes you referred to in your statement of last year?

Mr. KENNEDY. Yes. By December a total of 9,721 cases out of the new legislation.

Mr. BOW. You referred though to five new statutes?

Mr. KENNEDY. Yes, yes.

Mr. BOW. Of last year?

Mr. KENNEDY. Yes.

Mr. BOW. You are anticipating under the three new statutes this year——

Mr. KENNEDY. No; six statutes altogether, Congressman. There are six. I spoke of five last year and I think the sixth passed altogether in the field of crime.

Mr. BOW. In your statement you said three of the most important of these statutes are designed to aid our antigambling drive.

Mr. KENNEDY. That is part of the six.

Mr. BOW. That has no reference to your statement of last year, does it, of the 10,000?

Mr. KENNEDY. Yes. The 9,700 figure is under the six statutes. It is five and then another one added, the pinball statute, which was passed at the end of last year. The six statutes that have been passed have opened a total of 9,700 cases approximately.

Mr. BOW. What I am trying to get at, in your statement of last year, where you said they may open 10,000, and your statement of this year on the opening of 5,361, whether these are the same statutes?

Mr. KENNEDY. Yes, they are, but the 5,321 is part of the 9,700 cases that refers just to the gambling statutes.

Mr. BOW. These have been passed since your statement of last year when you anticipated opening 10,000?

Mr. KENNEDY. No.

Mr. BOW. That does not jibe with the testimony that these were all in the last session.

Mr. KENNEDY. I thought you asked about the 87th Congress. This is in the last 2 years, Congressman.

TOTAL COSTS OF SITUATION AT OXFORD

Mr. BOW. You have given us a figure here of the situation at Oxford in the amount of $406,000 and $15,000 approximately a month since then. That was up to October?

Mr. ANDRETTA. October 31.

Mr. BOW. Do you have the figures, or are you familiar with the figures, of what additional expenses there have been to the Government, such as in the use of troops?

Mr. KENNEDY. I think that is about $4 million-plus.

Mr. BOW. In addition to this $406,000?

Mr. KENNEDY. Yes.

Mr. BOW. Our total up to October would be somewhere around $5 million?

Mr. KENNEDY. Yes.

Mr. Bow. I think that is all I have.
Mr. Rooney. Mr. Cederberg?

COORDINATION WITH JUSTICE ON JUDICIARY PAY PLAN

Mr. Cederberg. Mr. Attorney General, yesterday the judiciary appeared before our committee and presented for consideration of this committee on judicial pay plan. This plan would upgrade certain personnel in the judiciary, the probation department, and others.

I am wondering if there has been any coordination with the Department of Justice or discussion with it regarding this judiciary pay plan. If this plan should be approved, how would it affect personnel in the Department of Justice who work very closely with the judiciary?

Mr. Kennedy. It has not been brought to my personal attention, Mr. Congressman.

Mr. Cederberg. It would seem to me this would be an area where coordination would be wise because you have personnel working very close together and if you find an upgrading because of an adoption of this kind of plan, there will be certain pressures on you.

Mr. Kennedy. I agree with you. I think it would create problems and difficulties for us.

Mr. Cederberg. I would hope there would be some coordination between the judiciary and the Department of Justic in this regard. I believe it would be helpful to everyone to have that done.

Mr. Kennedy. I think that is true.

Mr. Bow. In some areas they go up two grades.

Mr. Cederberg. Yes; and I can understand what problems might confront your Department if somebody is promoted two grades.

Mr. Kennedy. Without any question.

Going back to our marshal situation, those men who are already underpaid, up in New York we are trying to get deputy marshals. You get a good deal more as a rookie in the police department than you can as a deputy marshal. The same is true in all major cities. That is a great problem and you have the problem in other places.

Mr. Smith. Have you reduced salaries for deputy marshals?

Mr. Kennedy. No.

Mr. Smith. In some cases, the ones coming in, the new ones, do not get as much as the ones——

Mr. Andretta. We have what we call an apprentice grade, when they have had no experience at all, and just meet the standards they come in at grade 6. After 1 year they go to the regular grade. In other words, a trainee grade, and then the regular standard grade 7.

Mr. Cederberg. Just as one member of the committee, I would hope that some discussions would take place between the Judiciary and Justice so that we have coordination here.

Mr. Kennedy. Yes, sir.

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

Mr. Rooney. If there are no further questions, Mr. Attorney General, we thank you for a very interesting afternoon.

Mr. Kennedy. Thank you, Congressman.

Mr. Rooney. We shall resume at 10 o'clock in the morning with Mr. Katzenbach.

WEDNESDAY, JANUARY 30, 1963.

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

SALARIES AND EXPENSES, GENERAL ADMINISTRATION

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Personnel compensation:			
Permanent positions	3,369	3,685	3,945
Positions other than permanent	46		
Other personnel compensation	37		28
Total personnel compensation	3,452	3,685	3,973
Direct costs:			
11 Personnel compensation	3,405	3,639	3,927
12 Personnel benefits	253	270	290
21 Travel and transportation of persons	113	119	125
22 Transportation of things		1	1
23 Rent, communications, and utilities	88	92	105
24 Printing and reproduction	51	47	47
25 Other services	60	65	72
26 Supplies and materials	45	54	54
31 Equipment	161	148	157
Total direct costs	4,176	4,435	4,778
Reimbursable costs:			
11 Personnel compensation	47	46	46
12 Personnel benefits	3	4	4
Total reimbursable costs	50	50	50
Total costs	4,226	4,485	4,828
Change in selected resources	−32		
Total obligations	4,194	4,485	4,828

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions	570	584	594
Full-time equivalent of other positions	7		
Average number of all employees	531	547	558
Number of employees at end of year	547	566	576
Average GS grade	6.4	6.5	6.6
Average GS salary	$6,441	$6,897	$7,001
Average salary of ungraded positions	$5,141	$5,154	$5,165

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Direct program:			
1. Executive direction	792	828	901
2. Administrative reviews and appeals	788	853	1,012
3. Administrative services	2,596	2,754	2,865
Total direct program costs, funded	4,176	4,435	4,778
Reimbursable program:			
3. Administrative services	50	50	50
Total program costs, funded	4,226	4,485	4,828
Change in selected resources [1]	−32		
Total obligations	4,194	4,485	4,828
Financing:			
Advances and reimbursements from other accounts (−)	−50	−50	−50
Unobligated balance lapsing	21		
New obligational authority	4,165	4,435	4,778
New obligational authority:			
Appropriation	4,165	4,295	4,778
Proposed supplemental due to pay increases		140	

[1] Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, $42 thousand (1962 adjustments, $3 thousand); 1962, $13 thousand; 1963, $13 thousand; 1964, $13 thousand.

Mr. Rooney. Continuing the hearings with regard to the appropriation requests for the Department of Justice, we shall this morning turn to the item entitled "Salaries and expenses, general administration," which appears at page 74 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 of the justification book.

(The pages follow:)

Summary analysis of estimate

	Thousands
Appropriated, 1963	$4,295
Proposed Pay Act supplemental	140
Appropriated, 1963 (adjusted)	4,435
Estimate for 1964	4,778
Increase 1964 over 1963	343

Analysis by activities

Office or activity	1963 requirements	Decreases	Increases		1964 estimate
			Pay Act	Other	
Attorney General	$229,400		$5,200	$41,900	$276,500
Deputy Attorney General	598,600	$2,000	17,000	10,900	624,500
Pardon attorney	77,000		3,200	1,600	81,800
Board of Parole	481,600		15,500	127,800	624,900
Board of Immigration Appeals	294,200	1,600	10,100	2,600	305,300
Library	272,200		4,500	3,500	280,200
Administrative Division	2,532,100	2,000	62,000	42,700	2,634,800
Subtotal	4,485,100	5,600	117,500	231,000	4,828,000
Less reimbursements, Office of Alien Property	−50,000				−50,000
Total direct obligations	4,435,100	5,600	117,500	231,000	4,778,000

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 1964 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 the employment of additional staff for the Board of Parole to handle substantially increased workloads.

Mr. ROONEY. The total request for salaries and expenses, general administration, is in the amount $4,778,000, which would be an increase of $483,000 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

The first of the subitems in this category is that for the Office of the Attorney General, the details of which are to be found under tab 3 of the justifications.

We shall at this point insert in the record pages 3–1 through 3–5 from the justification book.

(The pages follow:)

Office of the Attorney General

Appropriation, 1963	$222,000
Proposed pay act supplemental	7,400
Appropriation, 1963 (adjusted)	229,400
Estimate, 1964	276,500
Increase	47,100

The Attorney General is the head of the Department of Justice and the chief law officer of the Federal Government. He gives advice and opinions to the President and heads of the executive departments of the Government when so requested. 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

It is estimated that an appropriation of $276,500 will be required in fiscal year 1964 for the immediate office of the Attorney General. This is $47,100 more than the amount required for 1963.

No increase in personnel is requested although the present staff is hard pressed to keep abreast of the expanding activities of the Office. The Attorney

General's personal leadership in the campaign against organized crime and racketeering, and in civil rights and antitrust matters is reflected in heavier demands upon his staff.

The requested increase is needed to implement statutory provisions affecting salaries, to maintain the existing staff on a full-time basis, and to meet the current cost of communications, as follows:

Higher costs due to statutory provisions:	
Additional pay act costs in 1964 (Public Law 87–793)	$5,200
Within-grade promotions	2,000
2 days' regular pay above 52-week base (5 U.S.C. 944c)	1,400
Reclassifications approved in fiscal year 1962	8,600
Personnel benefits related to above	1,400
Total	18,600
Maintenance of present employment:	
Salaries	20,000
Personnel benefits	1,500
Total	21,500
Higher costs for communications	7,000
Total increase	47,100

GENERAL STATEMENT

This fund covers the salaries and operating expenses of the Office of the Attorney General. This Office which provides the executive staff and facilities for the Attorney General in directing the Department of Justice, includes in addition to the Attorney General, the executive assistant, confidential assistants, the Director of Public Information, and secretarial and messenger staffs.

Current public interest in the work of the Department is unprecedented. This has imposed a heavy burden upon the small staff authorized to handle these important duties. The magnitude of the current workload requires the services of the entire staff on a full-year's basis although the funds presently available will finance an average of only 20.5 employees on a full-time basis. An additional $21,500 is required to permit maintenance of authorized staff at approximately full strength in fiscal year 1964.

The heavier workload has resulted in a deluge of mail, telephone and telegraphic inquiries. Many of these matters require prompt attention and involve the use of rapid communication facilities. This has caused a substantial increase in the cost for communications during the past year. Actual expenditures of $15,700 in 1962 were approximately $5,000 higher than in 1961. The amount of $8,200 currently available will be short by about $7,000. The increase requested is needed to meet this deficit.

Mr. ROONEY. The request for the Office of the Attorney General is in the amount of $276,500, which would be an increase of $54,500 over the 1963 fiscal year figure.

The increases requested are set forth at pages 3–3 and 3–4.

RECLASSIFICATIONS

What is this item on page 3–3, Mr. Andretta, "Reclassifications approved in fiscal year 1962," $8,600?

Mr. ANDRETTA. One was a reclassification after getting supergrades, for an assistant to the Attorney General. He went from grade 16 to 18.

Mr. ROONEY. Is it not the custom to obtain the money first before you make the reclassification?

Mr. ANDRETTA. No; this is done under the Classification Act and when a position is reclassified by law we have to pay the money that goes with it.

We do come to the Congress, Mr. Chairman, when we ask for a general upgrading of positions. That is a voluntary action on our part. We come to the Congress and get the money first before we do any general upgrading.

MAINTENANCE OF PRESENT EMPLOYMENT

Mr. ROONEY. Mr. Andretta, what is this item for maintenance of present employment?

Mr. ANDRETTA. That is the $21,000, to carry the present staff.

Mr. ROONEY. $21,500.

Mr. ANDRETTA. That has primarily to do with the Attorney General's Office where a second grade 18 position was set up when he came to the Department. At that time we did not request funds for it and tried to absorb the cost out of lapses and other money available under General Administration. We have been able to do so up until now but now we have reached the point where we do not have the funds because of demands on the General Administration appropriation which covers a number of small units. We are awfully tight on money and I do not see how we are going to be able to absorb that $21,000 so we thought that we had better ask for the money in 1964.

Mr. ROONEY. How many instances such as this do you have in the budget for the Department of Justice?

Mr. ANDRETTA. That is the only one that I know of.

Mr. ROONEY. Are there any questions with regard to the Office of the Attorney General, gentlemen?

ADMINISTRATIVE ASSISTANT TO THE ATTORNEY GENERAL

Mr. BOW. Who fills that position where you are asking for that $21,500?

Mr. ANDRETTA. James Symington.

Mr. BOW. What are his duties?

Mr. ANDRETTA. He is an administrative assistant to the Attorney General He is a confidential assistant also.

Mr. ROONEY. Troubleshooter?

Mr. ANDRETTA. Yes. He does a lot of work for the Attorney General. Perhaps Mr. Katzenbach can tell a lot more about that.

Mr. KATZENBACH. He does a great deal of contact work for the Attorney General with Members of Congress in response to requests they have made for one thing or another. He takes on a good many special assignments.

Mr. BOW. Do you have a congressional liaison group?

Mr. KATZENBACH. Most of the congressional liaison is handled out of the Deputy's office but there are a good many Members of the House and Senate who, from time to time, wish to contact the Attorney General and bring problems to him. Symington handles this.

Mr. BOW. What is his background?

Mr. KATZENBACH. Symington was an honor graduate of the law school at Columbia, I believe after his academic degree from Yale.

Mr. ANDRETTA. Yes; I believe so.

Mr. KATZENBACH. He practiced law for a while.

Mr. BOW. How long?

Mr. KATZENBACH. In St. Louis, I guess, for almost 5 years. I am depending on memory here and I cannot be exact. He came with this administration initially.

Mr. ROONEY. In the last administration he was an assistant to the American Ambassador to London, was he not?

Mr. BOW. Is he the fellow who plays the guitar pretty well?

Mr. KATZENBACH. Very well.

Mr. BOW. And sings folk songs? That is not his job down at the Justice Department?

Mr. KATZENBACH. It is not in his job description, Congressman.

Mr. ROONEY. If my memory serves me right, he sang some songs for you after office hours.

Mr. BOW. Very well. He did a good job. The chairman and I were together and heard him sing and I just wondered whether we now have to have court jesters.

Mr. KATZENBACH. No; he is hardly a court jester, Congressman.

Mr. BOW. Thank you.

Mr. ROONEY. Are there any further questions?

Mr. LIPSCOMB. Mr. Chairman?

Mr. ROONEY. Mr. Lipscomb?

FUNDS FOR PRESIDENT'S COMMITTEE ON JUVENILE DELINQUENCY

Mr. LIPSCOMB. Is there any money requested for personnel in this budget allocated to either the President's Committee on Juvenile Delinquency and Youth Crime or the Domestic Peace Corps for the Attorney General?

Mr. ANDRETTA. We have money for the juvenile delinquency group that was appropriated by the committee here 2 years ago. There is money in here that the Bureau of Prisons contributes to the President's Committee on Juvenile Delinquency. We also contribute to the President's Committee on Youth Fitness, I believe $30,000; also, $4,300 to the Committee on the Status of Women.

Mr. LIPSCOMB. That is in the Attorney General's budget?

Mr. ANDRETTA. Only the juvenile delinquency money, which we give to the President's Committee.

Mr. LIPSCOMB. How many personnel does that include?

Mr. ANDRETTA. We do not know. They just call on us for certain——

Mr. LIPSCOMB. There is no personnel——

Mr. ANDRETTA. No positions in our budget; no, sir.

Mr. LIPSCOMB. Is that the case in the present fiscal year also?

Mr. ANDRETTA. Yes, sir.

Mr. ROONEY. Will you please insert at this point in the record a statement indicating payments to what committees and in what amounts, in the proposed budget as well as during the present fiscal year?

Mr. ANDRETTA. Yes. We have it right here.

FUNDS FOR DOMESTIC PEACE CORPS

Mr. LIPSCOMB. Has there been any portion of the Attorney General's budget or the Justice Department budget applied to the Domestic Peace Corps being formed, or which has been proposed?

Mr. ANDRETTA. No; not that I know of.

Mr. LIPSCOMB. Has there been any personnel assigned to that project?

Mr. ANDRETTA. No, sir.

Mr. BROWN. We are doing some of the administrative work for them but it is just a part-time proposition. I am taking care of the budget for them and their accounting, and that sort of business. We do not have anybody assigned to that work especially.

Mr. LIPSCOMB. There are funds being expended from your office?

Mr. BROWN. Some small amounts; yes, sir.

Mr. LIPSCOMB. What would you estimate this to be?

Mr. BROWN. Not more than $1,500.

Mr. LIPSCOMB. I read about this office in the papers presently being set up and this is coming out of some other budget? I understand from the paper that there was a small office set up and they were beginning to work.

Mr. BROWN. That is right. There are 10 agencies contributing $1,500 apiece toward that work.

Mr. LIPSCOMB. Your work in the amount of $1,500 is considered the Justice Department's portion?

Mr. BROWN. That is right.

We are contributing services.

Mr. ROONEY. Is that a separate item in the budget, $1,500, or are you absorbing that and using people part time in contributing toward this?

Mr. ANDRETTA. That is right.

Mr. BROWN. We are absorbing all of this. There is nothing specifically in this budget for any of these activities.

CONTRIBUTIONS TO INTERAGENCY COMMITTEES

Mr. ROONEY. That is indicated in this statement that we shall insert at this point in the record.

(The material follows:)

Contributions by Department of Justice to interagency committees in money, staff, and administrative services—Authority: 31 U.S.C. 691

Fiscal year—	Committee	Amount
1962	President's Committee on Juvenile Delinquency and Youth Crime.	[1] $47,500.00
Do	President's Committee on the Status of Women	16,000.00
Do	Consolidated working fund, Justice, Administrative Conference of the United States.	[1] 10,000.00
Total, 1962		73,500.00
1963	President's Committee on Youth Fitness	30,000.00
Do	President's Committee on Juvenile Delinquency and Youth Crime.	[1] 45,000.00
Do	President's Committee on the Status of Women	[2] 4,300.00
Do	President's Committee To Study the Feasibility of Establishing a National Service Corps (services only).[1]	
Total, 1963		79,300.00

[1] Includes administrative services such as: accounting, personnel, budget, communications, and procurement.

[2] Amount assessed.

DOMESTIC PEACE CORPS

Mr. LIPSCOMB. Do you know of any statute that has been passed by Congress authorizing the setting up of this Domestic Peace Corps at the present time?

Mr. ANDRETTA. I do not know of any.

Mr. ROONEY. Mr. Lipscomb, as I understand it, this is to explore the feasibility, I think it is indicated, as to whether or not there should be such legislation.

Mr. LIPSCOMB. This was done by Executive order?

Mr. ROONEY. Yes.

Mr. BROWN. There is a statute that permits this sort of thing and it is 31 United States Code 691. It allows these contributions by interested agencies.

Mr. ANDRETTA. They refer to that statute in some of the Executive orders setting up various committees and commissions. They refer to this in the Executive order and if an agency is involved in any respect, or if any member of the committee is a member of the agency, the committee asks for a contribution under this provision from the particular agency.

Mr. LIPSCOMB. Even though you are operating on a tight budget, you can absorb all of these things?

Mr. ANDRETTA. We cannot afford it but we have to do the best we can.

Mr. KATZENBACH. In general, Congressman, the amounts given by the Justice Department are rather small in this respect for the reason that you state. What we usually do with respect to these intergovernmental agencies is to contribute legal services, which we can absorb even within a tight budget by working a little harder and longer.

Mr. LIPSCOMB. Thank you, Mr. Chairman.

Mr. SMITH. Mr. Chairman, could I ask a question?

Mr. ROONEY. Yes, Mr. Smith.

JUVENILE DELIQUENCY PROGRAMS

Mr. SMITH. What budget is this money in for the Juvenile Delinquency Agency that was set up a year ago?

Mr. ANDRETTA. Health, Education, and Welfare.

Mr. SMITH. It is being administered out of the Justice Department, is it not?

Mr. ANDRETTA. No. We have a program of halfway houses over at the Bureau of Prisons.

Mr. SMITH. Who is Mr. Hackett?

Mr. ANDRETTA. He is on the President's Committee for Juvenile Delinquency.

Mr. SMITH. He is administering this juvenile delinquency program, planning grants, and all that; isn't he?

Mr. ANDRETTA. I don't know his actual duties. He is the Director of the President's Committee on Juvenile Delinquency which, I understand, covers the whole operation of juvenile delinquency, not only the HEW operation but the one over at the Bureau of Prisons.

Mr. KATZENBACH. Let me supplement that, if I may.

The committee is set up with the Secretary of HEW, the Secretary of Labor, and the Attorney General, as a three-man policy committee

on top. Some of the program appears within the Department of Justice, such as the halfway houses. The bulk of it appears within HEW and some of it appears within the Department of Labor with respect to youth counseling on employment. Those three Cabinet officers, Mr. Hackett, and the day-to-day administration or planning of this is Mr. Hackett's responsibility with a designee also from HEW and from Labor as a working committee under the three Cabinet officers.

Mr. SMITH. He is a special assistant assigned to this particular job?

Mr. KATZENBACH. That is correct; yes, sir.

Mr. SMITH. That is all.

OFFICE OF THE DEPUTY ATTORNEY GENERAL

WITNESS

NICHOLAS deB. KATZENBACH, DEPUTY ATTORNEY GENERAL

Mr. ROONEY. Gentlemen, the next subitem is that for the Office of the Deputy Attorney General and the details are to be found under tab 4 of the justification book.

We shall at this point insert in the record pages 4–1 through 4–5 of these justifications.

(The pages follow:)

Office of the Deputy Attorney General

Appropriation, 1963	$577,000
Proposed pay act supplemental	21,600
Appropriation, 1963 (adjusted)	598,600
Estimate, 1964	624,500
Increase	25,900

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. If 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

An appropriation of $624,500 is requested for the fiscal year 1964. The increase over 1963 of $25,900 is needed to implement statutory provisions relating to employees' compensation, as follows:

Cost of statutory provisions:	
Additional pay act cost in 1964 (Public Law 87–793)	$17,000
Within grade promotions	5,300
2 days regular pay in excess of 52-week base (5 U.S.C. 944c)	3,700
Personnel benefits related to above	1,900
Total cost of statutory changes	27,900
Less nonrecurring requirement for rent	−2,000
Total increase	25,900

The upward trend in the workload of this office in recent years continues. Through August 31, 1962, the views of the Department of Justice were requested by congressional committees, the Bureau of the Budget, and miscellaneous sources on 1,940 public bills and 149 private relief bills, or a total of 2,089 for the 87th Congress. This represents a new high in the volume of this type of work.

The executive office for U.S. attorneys during fiscal year 1962 has been primarily concerned with the continuing drive to reduce the heavy load of pending cases in the attorneys' offices and the indoctrination and orientation programs for the U.S. attorneys. Approximately 410 new attorneys (assistant U.S. attorneys and the U.S. attorneys) entered on duty during fiscal year 1962. This has contributed to the workload of the executive office for U.S. attorneys which has the responsibility for processing these applications and which provides general executive guidance and supervision to the offices of U.S. attorneys.

The executive office of U.S. marshals provides executive assistance, direction, and supervision to the individual marshals' offices. Representatives of this office participate in annual regional conferences of U.S. marshals, held at Federal penal institutions, which provide a forum for the exchange of mutual ideas and the resolution of problems common to all districts. The travel incident to such conferences is, whenever possible, combined with prisoner transportation to minimize expenses.

Workload data

Congress	Reports on bills [1]		
	Public	Private	Total
78th	573	219	792
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 (through Aug. 31, 1962)	1,635	130	1,765

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

Mr. ROONEY. The insertions indicate that the request is in the amount of $624,500, which would be an increase of $47,500 over the amount appropriated for this Office in the current fiscal year. The increases are set forth at page 4–3 of these justifications.

It would appear that all of these are statutory requirements, are they?

Mr. KATZENBACH. That is correct, Mr. Chairman.

Mr. ROONEY. What is this $1,900 item, Mr. Andretta?

Mr. ANDRETTA. Personnel benefits.

Mr. ROONEY. Related to the above, hospitalization?

Mr. ANDRETTA. Health and life insurance, and retirement.

Mr. ROONEY. Very well.

Are there any questions with regard to this item?

Mr. BOW. No new employees here?

Mr. BROWN. No, sir.

Mr. BOW. This is the same personnel, only statutory increases?

Mr. KATZENBACH. That is correct.

Mr. BOW. Is part of that being absorbed?

Mr. BROWN. Not in this Office, no, sir.

Mr. ROONEY. If there are no further questions we thank you, Mr. Katzenbach, and will let you get back to work.

Mr. KATZENBACH. Thank you, Mr. Chairman and gentlemen.

Office of the Pardon Attorney

WITNESS

REED COZART, PARDON ATTORNEY

Mr. Rooney. The next item is that for the Office of the Pardon Attorney and the details with regard thereto are to be found under tab 5 of the justification book.

The request is in the amount of $81,800, which would be an increase of $7,800 above the amount appropriated for the Office of the Pardon Attorney in the current fiscal year.

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

(The pages follow:)

Office of the Pardon Attorney

Appropriation, 1963	$74,000
Proposed Pay Act Supplemental	3,000
Appropriation, 1963 (adjusted)	77,000
Estimate, 1964	81,800
Increase	4,800

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 $81,800 will be needed to operate this Office on its present scale in 1964. The increase of $4,800 over the 1963 allotment of $77,000 is required to implement statutory provisions regulating the compensation of personnel, as follows:

Cost of statutory provisions:	
Additional pay act costs in 1964 (Public Law 87–793)	$3,200
Within-grade promotions	900
2 days' regular pay above 52-week base (5 U.S.C. 944c)	500
Personnel benefits related to above	200
Total	4,800

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.

During fiscal year 1962, the number of new cases filed and the reactivation of previously closed cases increased by 25 percent over 1961. This upward trend had been predicted and it is expected to continue. Apart from the petitions filed, thousands of pieces of miscellaneous correspondence concerning various phases of Executive clemency are handled and disposed of each year. For fiscal year 1962, the number was 7,600.

Every person convicted of a Federal offense, whether the violation be a felony or a misdemeanor, is a prospective petitioner for some form of Executive clemency, and the continued increase in the rate of crime with proportionate convictions will enlarge the number. Moreover, an offense is subject to pardon even though there has been no criminal prosecution and conviction, and many applications involving such violations are processed and pardons granted, for example, cases of veterans whose rights or benefits have been forfeited in the past because of their infractions of various laws relating to veterans. Then too, aliens subject to deportation on account of admitted crimes may seek pardon in order to obtain and adjustment of their status under the immigration laws.

The needs and desires of the individual dictate the time he may seek clemency. Of course, there is always the prospect that groups active in behalf of certain classes of offenders, for example, selective service violators, may prevail upon a large number to file petitions in concert.

Other than the consideration of formal applications, the pardon attorney 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.

At the present time, all positions in the Office are filled or are in the process of being filled and they are needed for the orderly, proper, and efficient functioning of the Office of the Pardon Attorney. However, proposed revisions of the pardon rules may require additional personnel in the future.

A draft of the proposed revision of the pardon rules has been prepared, the modification is in the last stages of study, and the submission of new rules to the President and his approval of the same is expected in the not too distant future. Certainly, there will be no lessening of the number of petitions filed as a result of the revision, and in all probability, a greater number of formal requests for clemency will result, particularly from persons in confinement. In any event, the work of the Office of the Pardon Attorney will increase because the proposed procedural change will require that all cases be brought to the President's attention. Essentially, this means that cases of a type previously "adversed" administratively in keeping with prior policy, such as petitions by persons who are obviously unworthy of the President's favor or by persons who otherwise do not presently measure up to acceptable standards, will not be ultimately disposed of without first acquainting the President with the prospective "denial." This will, of course, require that as to each case a formal letter of advice, or at least, a report in some form will have to be prepared for submission to the White House. The increase in work that this Office may expect may be illustrated, in some measure, by pointing out that for fiscal years 1958 through 1962, there were 2,216 cases disposed of and that of this number the President acted on 809 formal presentations of cases to him by the Attorney General while 1,407 cases were "adversed" via departmental action. The preparation of an additional 300 or so letters of advice or reports each year, on an average, may well require enlargement of the staff of the pardon attorney.

Workload

	Actual			Estimated	
	1960	1961	1962	1963	1964
Cases or matters:					
Pending beginning of year	398	437	408	506	631
Received	437	481	595	650	650
Terminated	398	510	497	525	525
Pending end of year	437	408	506	631	756

Mr. ROONEY. We have with us Mr. Reed Cozart who is the pardon attorney.

Mr. Cozart, this requested increase over the current fiscal year of $7,800 is entirely statutory, is it?

Mr. COZART. Yes, sir. We have had no changes whatever in our staff or other expenditures.

Mr. ROONEY. Are these captions at pages 5–6 correct?

Mr. COZART. No, sir; unfortunately the headings shown are 1 year behind in each case.

Mr. ROONEY. You already have definite figures, do you not, for fiscal 1962 rather than estimated figures?

Mr. COZART. That is right. They are the actual figures.

Mr. ROONEY. That is a correct figure?

Mr. COZART. Yes, sir.

Mr. ANDRETTA. The estimate for 1963 is 506.

Mr. ROONEY. The current year?

Mr. COZART. Yes, sir. We are having a rapid increase, as you see it jumped up from 398 to 506 in 3 years.

Mr. ROONEY. Are there any questions with regard to the Office of the Pardon Attorney?

If not, we thank you, Mr. Cozart.

Mr. COZART. Thank you.

BOARD OF PAROLE

WITNESS

RICHARD A. CHAPPELL, CHAIRMAN

Mr. ROONEY. The next item is for the Board of Parole and is to be found under table 6 of the justification book. The request for the Board of Parole is in the amount $624,900 which would be an increase of $159,900 over the amount appropriated for the Board's activity in the current fiscal year.

We shall at this point insert in the record pages 6–1 through 6–16 of the justifications.

(The pages follow:)

Board of parole

Appropriation, 1963	$465,000
Proposed Pay Act Supplemental	16,600
Appropriation, 1963 (adjusted)	481,600
Estimate, 1964	624,900
Increase	143,300

AMOUNT REQUESTED

It is estimated that $624,900 will be required to meet the needs of the Board of Parole for the fiscal year 1964. This exceeds the amount allotted to the Board in 1963 by $143,000. The amount requested is necesary to meet the cost of complying with statutory provisions affecting the compensation and benefits of employees and higher costs of handling a large increase in Board workload. It includes funds for 10 new staff persons, including 4 parole hearing examiners, and funds to establish a mailroom for the Board. It also includes smaller increases for costs of increased travel needs, for hearing reporting services and for other related services. The increases are as follows:

Cost of statutory requirements:	
Additional Pay Act costs in 1964 (P.L. 87–793)	$15,500
Within-grade salary increases	4,300
Regular pay above 52-week base (2 extra days) (5 U.S.C. 944c)	3,500
Personnel benefits related to above	1,550
Total	24,850
Additional staff:	
Salaries (10 positions)	
4 hearing examiners GS–14 at $12,854	51,416
2 parole clerks GS–6 at $5,054	10,108
2 clerk-stenographers GS–5 at $4,576	9,152
1 mail clerk GS–5	4,576
1 mail clerk GS–4	4,118
Total	79,300
Personnel benefits	5,950
Rent (to be transferred to GSA)	10,000
Equipment	9,000
Total	104,250

Other increases:	
Travel	$5,000
Printing and reproduction	700
Other services (reporters' fees)	7,000
Supplies and materials	500
Equipment	1,000
	14,200
Total increase	143,300

GENERAL STATEMENT

Congress enacted in 1959 sentencing laws whereby the courts may specify that the U.S. Board of Parole is to determine the parole eligibility date of a Federal prisoner. To comply with that law, the Board affords special handling and must conduct an initial hearing with each such inmate prior to the regular parole hearing. Because of this, as well as the continued high rate of commitments under the Youth Corrections Act and in Federal prison commitments generally over the past several years, the Board has experienced a 9.3-percent increase in the number of hearings conducted and an 18.2-percent increase in persons under the Board's jurisdiction in the community during the 3-year period beginning at the start of fiscal year 1960. During that same period, the authorized staff has been increased by only 4.3 percent (two stenography positions). Because of this situation, processing of parole matters has often fallen dangerously behind, with the result that Bureau of Prisons and other Government officials experience delays while awaiting Board of Parole decisions. All of this, of course, leads not only to inefficiency in general, but also to feelings of confusion and bitterness on the part of prisoners and their families, attorneys, and friends.

In order to insure that the members of the Board have sufficient time to fully consider the records of parole applicants, some alleviation of their heavy hearing responsibilities in the field must be found. It is proposed, therefore, that the Board be allocated funds to employ four qualified hearing examiners to conduct some of the hearings with prisoners and to prepare summaries which will form the basis for decision by the members voting in Washington. Several years ago, when the workload indicated it, the Board employed such examiners and since the members now find that they are away from Washington approximately 50 percent of the time, it is proposed that the Board again hire examiners who would travel on a regular schedule. This would make it possible for the members to substantially reduce the time they now spend in the field, and would permit them to fully discharge their primary responsibility of decision-making relative to parole.

The present volume of correspondence received by the Board makes it necessary for the Board to operate its own mailroom. Historically, the Bureau of Prisons mailroom has provided service for the Board. As time went on, however, the volume of services required by the Board has outstripped the Bureau's ability to adequately provide such service. The number of pieces of mail received by the Board of Parole is now in excess of the number received by the Bureau of Prisons itself. Increasing demands on the Bureau of Prisons mailroom personnel to serve its own agency, coupled with increased volume of Board of Parole mail, makes it impossible for them, despite their conscientious efforts, to provide any but the barest minimum of service to the Board of Parole. It is, therefore, requested that sufficient funds be allotted to the Board to establish its own mailroom. Two additional staff persons, working in conjunction with present Board staff, would be adequate to man the proposed mailroom.

In addition to the personnel requested above, the Board also needs the services of four additional clerical or stenographic personnel to process Board matters generally. Two of these would be assigned to the Board's Postrelease Section, and the remaining two would be employed as a pool to process the work of the Board generally including that of the proposed hearing examiners.

The Board also requests additional funds to permit expanded travel and increased hearing reporter fees in line with the heavy Board hearing workload generally, and because of the necessity of meeting the demands of competitive pay rates for hearing reporters. Increases are also asked for supplies and equipment to replace obsolete office machinery and furniture, as well as to provide office tools for the requested new personnel.

The Board estimates that the amounts shown below are the necessary amounts in the various categories to meet its needs for the fiscal year 1964.

11 Personnel compensation, $490,600

This amount includes funds for 10 additional staff persons. The members of the Board have come to the point where they can no longer adequately discharge their primary responsibilities without assistance from hearing examiners. This has come about because of the great number of hearings required, as well as their complexity due to multitudinous types of sentencing laws and the presence of attorneys and witnesses at revocation hearings, as required by recent court decisions. It is contemplated that examiners would be scheduled to visit institutions where Federal prisoners are confined to conduct parole hearings, as well as review hearings and certain revocation hearings. They would also conduct initial hearings for prisoners committed under the Federal indeterminate sentencing laws. A summary of each such hearing would be transcribed and forwarded to Washington, where members of the Board would vote relative to parole or revocation. Members of the Board would continue to travel to all institutions for purposes of conducting hearings as at present, but the use of examiners would permit a more effective travel schedule and allow more time for the members to work in Washington. To accomplish this aim woudl require four hearing examiners classified at a GS–14 level.

In order to establish a mailroom the Board would need one mail clerk (GS–5) to work at and be responsible for the mail operations and a mail clerk (GS–4) to also work in that area. The personnel assigned to the mailroom would handle all incoming and outgoing Board correspondence. Having a knowledge of the duties of each Board staff member, they would sort the incoming mail by content and deliver it to the proper person for reply without delay. This would eliminate routine handling and sorting by higher paid personnel, such as is done at the present time. The mailroom staff would also perform such simple but time-consuming tasks as requesting prisoner files, which must now be done by higher paid clerical persons. Establishment of a mailroom and the resultant freeing of other Board personnel for many routine tasks would greatly speed up the processing of parole matters generally.

With the ever-increasing number of parolees and mandatory releasees in the community under the Board's jurisdiction, there is a corresponding increase in flow of work in the Postrelease Section of the Board and its Youth Correction Division. The amount of correspondence between the Board's offices and Federal probation officers throughout the Nation continues to climb, and the number of violation warrants prepared by the Board's offices reaches a new high each year. To keep relatively current, the Board requires two additional parole clerks (GS–6). Without this staff, there is the probability that a timely warrant may not be issued against a potentially dangerous person, or that there wil lbe long delays in replying to inquiries or reports from probation officers to whom such persons are assigned.

Two additional clerk-stenographers (GS–5) are needed to provide services for the requested hearing examiners and for general office work. They would process requests for travel, prepare vouchers, and provide the usual stenographic and clerical duties appropriate to a stenographic pool.

In order to achieve maximum effifficiency of its present staff, the Board has experimented with various devices to reduce its backlog and to obtain the greatest output of work per individual. These devices include the use of an automatic typewriter. Using this machine, 50 or more different letters and memorandums which are routine in nature except for the insertion of a word or phrase can be automatically reproduced and ready for signature in a very short time. This has enabled the Board to reduce its backlog of unanswered mail to some degee. Much of the correspondence, however, must be answered on an individual, case-by-case basis, and in that area we still have serious backlogs.

We are also using a recording device at parole hearings in lieu of employing a hearing reporter. This is being done on an experimental basis to determine if its use is feasible for the Board. Even if the machine were used generally, however, it would not reduce the amount of work to be performed, but would reduce the cost of producing the same amount of work. This is because a typist in Washington can be hired to transcribe the records for less than a shorthand reporter in the field can be hired.

The most significant measure taken by the Board during the past year was to review many cases of prisoners on the basis of paper reports in the absence of personal hearings. This is not good parole practice ordinarily, but because of the heavy workload, the Board used this emergency procedure wherever at all possible. The statistics reflect the use of this measure. For example, the

number of progress reports reviewed during 1962 increased by some 700, while personal hearings decreased by 200. Thus, there was a net increase of 500 decisions; but in the 700 cases, the Board used something less than standard practice in making a decision relative to parole.

The amount requested includes $15,500 to meet the additional pay act costs in 1964 and $4,300 for payment of within-grade increases for present personnel occurring during the year.

The amount also includes $3,500 for the 2 extra days' pay in 1964 above the regular 52-week base.

12 Personnel Benefits, $35,900

This amount includes the following increases:

(*a*) To include the agency share of life insurance and retirement contributions to be paid as a result of higher salaries payable in 1964 in accordance with statutory requirements.

(*b*) $5,950 for life insurance, retirement contributions, and health benefit contributions to be paid as the agency share for the 10 new positions requested for fiscal year 1964.

21 Travel, $30,000

This amount will provide funds for the necessary travel by members and professional staff of the Board. During fiscal year 1962, the Board was forced to curtain travel beyond what it should have to maintain efficient operations and to fulfill its obligations to other Government agencies and to national parole organizations. Despite severe curtailments, the Board spent $2,000 more for travel than was allocated for that purpose. Despite an even heavier hearing schedule in 1963, the amount allocated is the same as in 1962. To fulfill its obligations in 1964, the Board will require an increase of $5,000 for travel.

23 Rent and communications, $13,400

No increase is requested for communications. This amount represents the charge made by GSA for the 10 new positions requested. It is based on 200 square feet per person at $5 per square foot, or $1,000 per new employee.

24 Printing and reproduction, $3,500

For the past few years, the Board has been forced to spend more than the amount allocated to it for printing and reproduction. This has been caused by the greater number of printed forms made necessary by the increased number of hearings and the greater number of persons under supervision in the community, and the related paperwork, brought on by those situations. It is estimated that an increase of $700 over the 1963 allocation will be necessary during fiscal year 1964.

25 Other services, $39,000

Funds in this category are used almost exclusively to pay for fees of hearing reporters. During fiscal year 1962, the Board spent almost $35,000 for this purpose and it is expected that $39,000 will be needed this year. The amount available for 1963 is only $32,000. Hearing reporters do not receive the benefits of congressionally approved pay increases which accrue to other employees, and they are not eligible for fringe benefits such as health plans, insurance, retirement, etc. Despite this, the Board has not been able to offer a salary increase to its reporters, many of whom have been employed on a contract basis for the Board for several years. The Board is increasingly feeling the pinch of competition and it is becoming more difficult to hire qualified reporters at the salaries offered by the Board. In some small communities where it is difficult to obtain reporters, it may be necessary, on an emergency basis, to have regular Board staff travel from Washington with the hearing member in order to provide this service. To retain the presently employed reporters and to assist in the recruiting of replacements of those who have left, adequate funds are needed. The requested increase of $7,000 will help the Board to retain its staff of reporters or to hire replacements for those who leave for better paying jobs. Accurate transcripts of hearings are necessary for Board processing and they are frequently demanded for presentation as evidence in court proceedings as well.

26 Supplies and materials, $1,500

This amount will provide a $500 increase in this category compared to the amount allocated during 1963. This small increase is needed to be able to

furnish normal office supplies for the Board's staff in line with the increased workload.

27 Equipment, $11,000

During 1963 and for several years prior to that, the Board asked for only $1,000 per year for equipment. That amount allowed for replacement of approximately two electric typewriters and a very small amount of other office equipment. This year, however, an increase of $1,000 is needed in this category. The Board is in need of additional typewriters and other office equipment as replacements for the needs of its present staff. For this purpose, a sum of $2,000 is requested. In addition, there will be needed $8,000 for purchase of office furniture and equipment for eight of the persons in the new positions requested. This figure is based on a standard allowance of $760 for professional personnel and $1,240 for typing personnel. The two staff persons in the remaining positions requested would be assigned to the mailroom and would require no equipment other than that included in a general purchase to equip the room. It is estimated that $1,000 will be needed to furnish and equip the proposed mailroom. This small amount will probably be sufficient on the assumption that the Board of Parole will be able to jointly use certain mailroom machines owned by the Bureau of Prisons, at least during the fiscal year 1964.

Workload

RECAPITULATION

	Actual			Estimated	
	1960	1961	1962	1963	1964
Average population in institutions [1]	23,470	24,448	25,003	25,400	26,200
Parole decisions	17,932	19,541	20,666	21,550	22,500
On basis of hearings	15,041	16,591	16,999	17,750	18,600
Granted parole, all offenders	4,666	4,768	5,157	5,350	5,600
Denied parole, general law offenders	5,461	5,923	5,967	6,000	6,100
Juvenile and youth offender hearings (grants excluded)	3,104	3,594	3,118	3,200	3,300
Revocation and special interviews	1,419	1,610	1,804	2,000	2,100
Determination of eligibility dates	391	696	953	1,200	1,500
On basis of reviews	2,891	2,950	3,667	3,800	3,900
Progress reports reviewed	2,797	2,872	3,560	3,700	3,800
Washington review hearings	94	78	107	100	100
Warrants issued	1,757	2,002	2,165	2,400	2,600
Parole	1,063	1,241	1,405	1,650	1,800
Mandatory release	694	761	760	750	800
Meetings held at institutions	171	181	180	183	184
Hearings conducted	12,640	14,001	13,819	14,500	14,800

YOUTH CORRECTION DIVISION

Average population, youth institutions [2]	5,196	5,932	5,926	6,100	6,300
Population, June 30, youth institutions [2]	5,551	6,062	5,821	6,200	6,400
Paroles granted by Youth Division	1,945	2,052	2,450	2,600	2,800
Youth Corrections Act	966	1,125	1,426	1,550	1,700
Federal Juvenile Delinquency Act	478	504	522	550	550
District of Columbia juveniles	87	30	47	50	50
General law, in youth institutions	414	393	455	450	500
Parole warrants issued by Youth Division	707	785	934	1,150	1,250
Youth Corrections Act	382	524	710	900	1,000
Federal Juvenile Delinquency Act	199	176	131	145	145
District of Columbia juveniles	25	5	3	5	5
General law, in youth institutions	101	80	90	100	100
Meetings held at institutions	77	89	86	86	86
Hearings conducted	5,613	6,479	6,298	6,500	6,700

Footnotes at end of tables.

***Workload*—Continued**

GENERAL LAW OFFENDERS IN ADULT INSTITUTIONS

Average population, adult institutions	18,274	18,516	19,077	19,600	19,900
Paroles granted, general law in adult institutions	2,721	2,716	2,707	2,750	2,800
Parole warrants issued, general law in adult institutions	356	456	471	500	550
Meetings held at institutions	94	92	94	97	98
Hearings conducted	7,027	7,522	7,521	8,000	8,100

[1] Population figures include prisoners in Bureau of Prisons institutions, Public Health Service hospitals, and the District of Columbia Youth Center. The Board of Parole has paroling authority for all Federal prisoners in those institutions.

[2] Population figures include prisoners in the 9 "youth type" institutions and the 3 prerelease guidance centers of the Bureau of Prisons, plus the youth offenders in the District of Columbia Youth Center.

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 nstitutions designed primarily for youthful prisoners.

REQUESTED INCREASES

Mr. ROONEY. The increases are set forth at pages 6–2 and 6–3 of the justification book.

Mr. CHAPPELL. How much of the total increase is for additional personnel and related expenses?

Mr. CHAPPELL. I believe it is $79,370, Mr. Chairman. That is four hearing examiners, two parole clerks, two clerk-stenographers, and two mail clerks.

Mr. ROONEY. I suggest, in connection with a substantial increase such as this, you address yourself to the alleged requirement therefor.

Mr. CHAPPELL. Yes, sir.

The Board has been having a difficult time ——

Mr. ROONEY. It seems that your answer with regard to the $79,300 is not correct. Should not the figure be $104,250?

Mr. CHAPPELL. That is correct. I am sorry.

The Board has found it very difficult to keep up with the work, Mr. Chairman. We are concerned that we do not have enough time to give to the applicants for parole. As you know, we travel to the various prisons and hear them in person. We take about 25 to 30 cases a day and we have to rush them through very rapidly, so we are asking for these four hearing examiners to give some relief to the Board so we can get back to the office, the headquarters, and vote on some of the cases being heard by other members.

We find that we have only 5 to 10 minutes to study a case and that is hardly sufficient to do justice to the applicants. These hearing examiners would do some traveling and conduct hearings for the Board in the field.

AUTHORIZATION FOR HEARING EXAMINERS

Mr. ROONEY. What is the authorization for the hearing examiners?

Mr. CHAPPELL. The statute now provides we can use examiners and there will be no problem about the ——

Mr. ROONEY. What is the citation?

Mr. CHAPPELL. I do not have that, sir.

Mr. ROONEY. Will you please furnish that for the record at this point?

Mr. CHAPPELL. Yes, sir.

(The requested information follows:)

Section 4207, title 18, United States Code.

AVERAGE POPULATION IN INSTITUTIONS

Mr. ROONEY. With regard to these figures as to average population in institutions, do you want to revise them?

Mr. CHAPPELL. No, sir. I think that we not only have the Federal prisons, but also the Public Health Service hospitals and——

Mr. ROONEY. The figure on Federal prisons is off, is it not, since the appearance of the Bureau of Prisons here a year ago; is that right?

Mr. ANDRETTA. That is right.

Mr. ROONEY. What is the extent that it is off?

Mr. BROWN. Their average population so far this year is 23,851 and the average projected in their 1963 budget was 25,000.

Mr. ROONEY. You should change your figure, should you not, Mr. Chappell?

Mr. CHAPPELL. No.

Mr. ROONEY. Why not?

Mr. CHAPPELL. We do have the two Public Health Service hospitals and we do have prisoners in the District of Columbia Youth Center.

Mr. ROONEY. You must have based these figures on the figures you got from the Bureau of Prisons?

Mr. CHAPPELL. No; they do not include Public Health——

Mr. ROONEY. You do not get your figures independently?

Mr. CHAPPELL. They do not include——

Mr. ROONEY. I understand that, but you have included your figures in their total? If their figures are incorrect and there was a miscalculation in expert judgment, it would appear that your figures must be incorrect also.

Mr. CHAPPELL. We will be glad to reexamine this and put the correct figure in.

Mr. ROONEY. It would appear from your workload chart at page 6–14 that in 1962 there was not too appreciable an increase over the previous year?

Mr. CHAPPELL. That is correct, sir.

Mr. ROONEY. As a matter of fact, you had fewer hearings conducted and you had fewer meetings held at institutions.

Mr. CHAPPELL. A very slight——

Mr. ROONEY. And less mandatory releases, is that correct?

Mr. CHAPPELL. That is correct, sir. We have slight changes. There are some slight reductions.

Mr. ROONE. Mr. Bow?

Mr. BOW. I have no questions but I do not think there has been a justification here for the increase in personnel if there is no further testimony on that. I have no questions though.

Mr. ROONEY. This record is not so good up to now for this request for $160,000.

Mr. BOW. Not for the request here before us this morning.

Mr. ROONEY. We want to help you and will listen to you.

Mr. ANDRETTA. Tell them why you need that.

Mr. ROONEY. You surely had better, because I would say right now you are $160,000 short.

Mr. CHAPPELL. Mr. Chairman, we spend about 50 percent of our time in the field as it is now. The Board members rush out and we hear 25 or 30 cases a day and we rush back so that we can vote on the cases that other members have heard. I do not think it is fair not to give these prisoners more time in the hearing and give their cases more time at the time we vote on them. We are carrying on the best that we can and we will continue to do so if this committee thinks we should, but I do not think it is right. I do not think it is fair to these people that we have to pass on, unless the Board has more time to study their cases.

Mr. ROONEY. You are disillusioning me now. I thought this was one area in the Department of Justice that was highly efficient, did a good job, and everybody was happy and satisfied with it.

Mr. CHAPPELL. Thank you, sir.

We try and work at it.

Mr. ROONEY. You have disillusioned me. Do you want to say anything further?

Mr. CHAPPELL. No, sir. We have nothing further.

Thank you, Mr. Chairman.

Mr. ROONEY. Thank you, Mr. Chappell.

BOARD OF IMMIGRATION APPEALS

WITNESS

THOMAS G. FINUCANE, CHAIRMAN

Mr. ROONEY. The next item, gentlemen, is that for the Board of Immigration Appeals and the details are to be found under tab 7 of the justification book.

The request is in the amount of $305,300, which would be an increase of $24,300 over the amount appropriated for the Board of Immigration Appeals in the current fiscal year.

We shall insert at this point in the record pages 7–1 through 7–5 of the justifications.

(The pages follow:)

Board of Immigration Appeals

Appropriation, 1963	$281,000
Proposed Pay Act supplemental	13,200
Appropriation, 1963 (adjusted)	294,200
Estimate, 1964	305,300
Increase	11,100

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 $305,300, or $11,100 more than the allotment for 1963 to maintain its staff and operations in fiscal year 1964. The increase is needed to meet higher salary costs in accordance with provisions of existing statutes, as follows:

Cost of complying with statutory provisions:	
Additional Pay Act costs in 1964 (Public Law 87–793)	$10,100
2 days' regular pay in excess of 52-week base (5 U.S.C. 944c)	2,000
Personnel benefits related to above	600
Total	12,700

GENERAL STATEMENT

The Board estimates that it will receive about 1,450 new cases during the fiscal year 1963, and 1,475 new cases in 1964. This compares with 1,194 new cases will be received as the result of the changes in part 242 of title 8, Code of Federal received in fiscal 1962. It is estimated that between 400 and 500 cases annually will be received as the result of the changes in part 242 of title 8, Code of Federal Regulations which became effective January 22, 1962. The Board was given additional jurisdiction in the following classes of cases:

(1) Section 243(a), Immigration and Nationality Act, relating 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.

As a result of the change giving the Board additional jurisdiction effective January 22, 1962, additional cases began to show about March 1962. From that time until June 30, 1962, the Board received 113 additional issues in cases under the 4 categories set forth above. While the issues raised in the four categories in question arise at the time of the deportation hearing, they, in fact, constitute additional cases. Consequently, in addition to the various issues arising in deportion cases in the past, there now arise new and complicated issues which requires as much time and effort as in the basic deportation issues.

The Board was able to handle the additional 113 issues without any increase in the attorney or typist staffs. However, these additional 113 matters only cover the period of 4 months. At this rate, during the course of a full fiscal year, the Board may well receive between 400 and 500 additional issues to be considered and determined.

The Board will make every effort to operate with its present staff during the present fiscal year even though considerable increase in its work is inevitable. This will require unusual effort and application on the part of all employees. It is not thought that the Board can operate in this fashion indefinitely and maintain a current workload status.

Workload

	Actual			Estimated	
	1960	1961	1962	1963	1964
Cases or matters: [1]					
Pending beginning of year	152	171	148	140	150
Received	1,240	1,075	1,194	1,450	1,600
Terminated	1,221	1,098	1,202	1,440	1,500
Pending end of year	171	148	140	150	250

[1] Oral arguments heard by Board:

	Number	Percent of cases received
1960 (fiscal)	331	30.8 (26.7)
1961 (fiscal)	288	26.8
1962 (fiscal)	302	25.3
1963 (fiscal) (E)	375	25.9
1964 (fiscal) (E)	400	27.1

REQUESTED INCREASES

Mr. ROONEY. The increases are set forth at page 7–3 and it would appear that all the requested increases are required by law; is that correct?

Mr. FINUCANE. That is correct, Mr. Chairman.

Mr. ROONEY. How is your workload?

Mr. FINUCANE. We are just about current.

Mr. ROONEY. Are you going to meet the figures set forth in the 1963 estimates and carried at page 7–5?

Mr. FINUCANE. As to estimated workload?

Mr. ROONEY. Yes.

Mr. FINUCANE. I think we will. Maybe we will have a little bit more.

I might explain that a little bit, Mr. Chairmen: During the past year, the jurisdiction of the Board has been increased. As you know, the Board has such authority and power as is conferred on it by regulations of the Attorney General. We now have appeals in relation to a determination as to which country the alien is to be deported, appeals in section 245 and section 249 of the Immigration and Nationality Act relating to adjustment of the status of aliens in the United States and appeals in applications for stay of deportation because of alleged persecution, under sectoin 243(h) of the Immigration and Nationality Act. Recently we have been given appeals in actions to cancel an adjustment of status cases. Since the new regulations became effective in January of last year, we received about 400 cases under the new jurisdiction which otherwise we would not receive. We now receive about 1,415 cases a year and we think this will go up in fiscal year 1964 to at least 1,600.

Mr. ROONEY. Are there questions with regard to the Board of Immigration Appeals, gentlemen?

If not, we thank you. It is always good to see you.

Mr. FINUCANE. Thank you.

LIBRARY

WITNESS

S. A. ANDRETTA, ADMINISTRATIVE ASSISTANT ATTORNEY GENERAL

Mr. ROONEY. The next to the last item under "Salaries and expenses, general administration," is for the Library and the details with regard thereto appear under tab 8 of the justification book.

The request for the Library in the coming fiscal year is in the amount of $280,200, which would be an increase of $13,200 over the present year's appropriation.

We shall at this point insert in the record pages 8–1 through 8–6 of the justifications.

(The pages follow:)

Library

Appropriation, 1963	$267,000
Proposed Pay Act supplemental	5,200
Appropriation, 1963 (adjusted)	272,200
Estimate, 1964	280,200
Increase	8,000

The Library serves the staff of the Department of Justice through a collection of over 230,000 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

The appropriation requested for the Library in fiscal year 1964 is $280,200, or $8,000 more than the funds required for 1963. The increase is needed to implement provisions of law regulating the compensation and benefits of Goverment personnel as follows:

Cost of statutory provisions:	
Additional pay act costs in 1964 (Public Law 87-793)	4,500
Within-grade promotions	2,000
2 days regular pay above 52-week base (5 U.S.C. 944c)	1,000
Personnel benefits related to above	500
Total increase	8,000

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.

Approximately 238,000 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 115,000 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 groped under broad headings as follows: Acquisitions (including ordering, gifts and exchanges); technical processing (including cataloging, classifying, and binding); circulation (including interlibrary loan service); and reference; and the clerical functions necessary to support these activities.

Library operations continue to expand with the increase in the legal staffs and activities of the Department. The number of volumes increase 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.

Workload

	Actual			Estimated	
	1960	1961	1962	1963	1964
Volumes in libraries	223,324	229,123	237,713	245,000	250,000
Acquired during year by purchase, gift, etc	4,674	5,799	8,590	5,000	5,000
Books and periodicals circulated	234,992	205,075	229,463	230,000	235,000
Books used in libraries for reference	341,423	390,874	426,604	400,000	400,000
Books borrowed from other libraries	3,910	4,086	3,607	3,000	3,000
Books loaned to other libraries	652	525	731	500	500
Material cataloged	4,457	5,543	7,739	5,500	5,500
Cards added to public catalog	3,475	5,744	5,182	5,000	5,000

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.

Mr. ROONEY. Mr. Andretta, all of the requested increase is statutory, is it?

Mr. ANDRETTA. Yes; it is a net increase of $8,000 over what we expect to get this year with the anticipated supplemental pay raises, so that the actual increase over this year will be $8,000. That is all mandatory and statutory.

Mr. ROONEY. Are there any questions with regard to the Library?

ADMINISTRATIVE DIVISION

WITNESSES

S. A. ANDRETTA, ADMINISTRATIVE ASSISTANT ATTORNEY GENERAL

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

If not, we will proceed to the last item which is for the Administrative Division, which is to be found under tab 9 of the justification book. The request for the Administrative Division is in the amount $2,634,800, which would be an increase of $175,800 over the amount appropriated for this Division in the current fiscal year.

We shall at this point insert in the record pages 9–1 through 9–6 of the justifications.

(The pages follow:)

Administrative Division

Appropriation, 1963	$2,459,000
Proposed Pay Act supplemental	73,100
Appropriation, 1963 (adjusted)	2,532,100
Estimate, 1964	2,634,800
Increase	102,700

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 an authorization of $2,634,800 will be needed to finance the activities of the Administrative Division in 1964. The increase of $102,700 requested for 1964 is required to implement statutory provisions concerning the compensation and benefits of personnel, as follows:

Cost of statutory provisions:	
Additional pay act costs in 1964 (Public Law 87–793)	62,000
Within-grade promotions	19,800
2 days' regular pay above 52-week base (5 U.S.C. 944c)	16,200
Personnel benefits related to above	6,700
Total	104,700
Less nonrecurring requirement for rent	−2,000
Net increase	102,700

GENERAL STATEMENT

The Administrative Division conducts the business affairs of the Department and functions as the central office for Department-wide 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.

Although these activities have grown in volume and complexity with the expansion of the Department and growth of the country in recent years the total personnel of the Division today is actually six less than it was 10 years ago. This greater per capita production has been achieved mainly through conversion to automatic data processing techniques. However, the Division is constantly seeking more efficient methods and procedures for handling the numerous operations that are still performed manually. Appointments to fill vacant positions are authorized only upon complete justification by supervisors of the continued need for the personnel. A feasibility study is currently being conducted to determine whether further manpower and dollar savings can be realized through the installation of a small electronic computer.

BUDGET AND ACCOUNTS OFFICE

This Office is responsible for all accounting and budget functions at the departmental level and for providing detailed accounting and budgeting for the smaller units of the Department. It includes the following organization units:

1. Budget.
2. Accounting.
3. Financial reports.
4. Payroll and related activities.
5. Statistical services.

The budget unit provides overall guidance in budget matters to the constituent bureaus and divisions of the Department and coordinates the budget programs of these activities with general departmental policies. It serves as the central liaison between the Department, the Bureau of the Budget, and the Appropriations Committees of the Congress in all such matters.

The accounting unit maintains general ledger accounts for all activities of the Department, except for the three Bureaus, and detailed allotment accounts for the boards, smaller divisions and offices of the Department and the U.S. Attorneys and Marshals Offices. It audits financial reports and accounts of U.S. marshals which are required in their capacity as Government disbursing officers, payroll, travel, and miscellaneous vouchers covering the boards and similar units referred to above. This unit processed 159,701 accounting documents in 1962.

The Financial Reports Unit prepares analyses, statements, reports, etc., required by internal management and other governmental agencies. It is also responsible for conducting internal audits as required.

Payroll operations covering over 2,500 employees of the Department are handled by the Payroll Unit. This Unit also performs related functions such as maintenance of records of the individual employees' pay, employees' earnings and deductions for savings bonds, retirement, life and health insurance, etc., and the certification of information concerning individual employees for retirement, insurance and other purposes. The work of this Unit must be conducted promptly and accurately.

Statistical services are furnished all segments of the Department, other than the Bureaus, by the Statistical and Machine Services Unit. These include the compilation of detailed information on the number of cases filed, terminated, and pending, as well as the nature of the actions, etc.; the processing of accounting documents, personnel actions for statistical reporting and miscellaneous other matters concerning various departmental activities, and the preparation of reports, tables, charts, and graphs interpreting and portraying the information in a meaningful form. This Unit processed over 132,500,000 punched cards in 1962 in connection with these functions. Modern machines and methods are utilized to the optimum extent.

Detailed workload tables appear immediately following.

Mr. ROONEY. What about this requested increase, Mr. Andretta?

Mr. ANDRETTA. These are all statutory and mandatory raises.

Mr. ROONEY. No additional personnel?

Mr. ANDRETTA. No, sir, nothing.

Mr. ROONEY. What about this language?

Mr. ANDRETTA. We are managing to stay as we are although the Department has increased by about 1,000 people and the work has gone through the roof. We are staying with it.

LANGUAGE CHANGES

REPLACEMENT OF HEAVY SEDAN

Mr. ROONEY. What about this proposed language change at page 74 of the committee print?

Mr. ANDRETTA. One is authority to buy a heavy sedan not to exceed $5,000. That is for the replacement of one heavy car that we have that is available for the Attorney General and Deputy Attorney General. We want that authority in case we have to replace one but actually——

Mr. ROONEY. What is the alleged necessity for this?

Mr. ANDRETTA. I would like to have the authority in case one of these cars breaks down. We have a lot of trouble with them although right now we have a rental car so that we do not have to replace it,

but in case some of these automobile companies who are talking about cutting off these rental contracts to do so, we may have to buy a car. I am not asking for any money for it——

Mr. ROONEY. You are one of the greatest men in government on supplemental appropriations. Would that not be the proper time to take this up?

Mr. ANDRETTA. I suppose so but I cannot get by the Budget Bureau on a basis like that.

OFFICIAL RECEIPTION AND REPRESENTATION EXPENSES

Mr. ROONEY. What about this proposed other delightful language here?

Mr. ANDRETTA. I am raising the same thing there that we raised last year on this money for entertainment expenses.

Mr. ROONEY. You have raised it.

Mr. ANDRETTA. All right. I have the same story as last year, too.

Mr. ROONEY. Questions?

WORKLOAD STATISTICS

Mr. BOW. I was interested in page 9–8. Why are these figures identical for 1960, 1961, 1962, 1963, and 1964 at the top showing reports received? Is that the number of U.S. attorneys you have over the country?

Mr. ROONEY. The Library?

Mr. BOW. No; under page 9–8.

Mr. ANDRETTA. Those are statistical reports we get from the field. Each office has to send one in at the end of each month.

Mr. BOW. How does it happen to come out identically each year; 1961, 1962, 1963, 1964? Does anybody file any extra reports?

Mr. BROWN. No, sir. These are regular monthly reports. This is a mathematical calculation.

Mr. BOW. Have you not added some districts?

Mr. BROWN. Yes, but we dropped a couple in Alaska so they offset each other.

Mr. BOW. Is it easy to put the same figures down; is that it?

Mr. BROWN. No, sir. It is supposed to be a realistic calculation.

Mr. ANDRETTA. U.S. attorney reports received is a fixed item.

Mr. BOW. U.S. attorney's caseload reports received and financial summaries received, they are all identical.

Mr. ANDRETTA. That is right. Actually it does not serve any useful purpose to enumerate them.

Mr. BOW. I wondered why you have them at all. Does it make the record look a little better and you build up some figures and make it look like you are doing a lot of work?

Mr. BROWN. We are just trying to show a complete picture.

Mr. BOW. What do they inform you?

Mr. ANDRETTA. A little bit of the volume of the work.

Mr. ROONEY. I suppose they include them for no other reason than somebody has to open the envelopes when they come in.

Mr. ANDRETTA. There is a lot of work involved in those reports.

Mr. BROWN. There is an element of work involved, in each of these categories.

Mr. BOW. All right.

Mr. ROONEY. Mr. Cederberg?

SALARY OF CHIEF, BUDGET AND ACCOUNTS OFFICE

Mr. CEDERBERG. Under tab 9, page 9–35, I notice your Chief, Budget and Accounts Office, carries a salary of $14,706 and you estimate that salary this year at $14,581. In other words, a reduction?

Mr. ROONEY. What page?

Mr. CEDERBERG. Page 9–35.

Mr. ANDRETTA. You remember Mr. Butts? He had long years of service and Jack Brown here succeeded him. Mr. Butts was at the top of his grade.

Mr. CEDERBERG. That goes up next year to $15,059?

Mr. ANDRETTA. That is right. Under this new pay raise, that goes into effect next January.

Mr. CEDERBERG. That is true in these other accounts where there is a shift of personnel that went to the bottom of the grade?

Mr. ANDRETTA. Yes.

Mr. CEDERBERG. Your Assistant Chief, Budget and Accounts Office, the same thing? He took your place?

Mr. BROWN. That is correct. The salary reverts to the minimum rate of the grade.

Mr. ROONEY. Am I correct in the idea that Mr. Brown is one of the lowest paid budget officers in Government?

Mr. ANDRETTA. I think that is right.

Mr. ROONEY. Pretty close to being right?

Mr. ANDRETTA. Yes.

Mr. ROONEY. As a matter of fact, there are people handling budgets which are subordinate to those handled by him and who are getting more salary than Mr. Brown gets; is that correct?

Mr. ANDRETTA. That is correct. In the bureaus there are budget officers getting more than Jack Brown.

Mr. CEDERBERG. This is a small item but I notice on page 9–36 you have a GS–10 who went from $7,290 to $9,495, or rather from $7,821 to $6,656. According to these figures he did not even make the rate shown on the other side, $7,290 to $9,495. He must have gone down to GS–9. Is he going to stay there?

Mr. BROWN. No; those rates shown in the stub column are the new rates under the Pay Act.

Mr. ANDRETTA. He is talking about the grade 10.

Mr. CEDERBERG. You have him there at GS–10 and the entrance grade to GS–10 is $7,290?

Mr. BROWN. I cannot explain that. There must be a typographical error because the correct figure is $8,778.

Mr. CEDERBERG. That is all I have.

Mr. BOW. May I ask one more question, Mr. Chairman?

Mr. ROONEY. Yes.

ACCOMPLISHMENTS OF MANAGEMENT IMPROVEMENTS PROGRAM

Mr. Bow. I was looking over page 9–14, the "Management Office." It says that this Office serves in management improvement matters. What management improvements were accomplished last year?

Mr. ANDRETTA. We have been running a feasibility study on whether we ought to go into different type machine operations and computer operations. We had a study made of the organization and operation of some of the legal divisions. They worked with the Tax Division on putting a completely mechanical dictation system into operation.

Mr. Bow. Were these all improvements?

Mr. ANDRETTA. Yes, sir.

Mr. Bow. How much money did we save by having this Management Office, or did your budget go up because of the Management Improvement Office?

Mr. ANDRETTA. I would say that we get better utilization out of our personnel and improve our procedures and operations.

Mr. Bow. Were we able to reduce personnel any?

Mr. ANDRETTA. Yes, in a way.

As a result of this dictation system we have been able to cut people out requiring stenographic skills and hire typists who are a grade lower.

Mr. Bow. Where is that savings reflected in this budget?

Mr. ANDRETTA. That savings is not reflected yet but it is going to be eventually. What is going to happen is that we are going to be able to utilize stenographers where they are needed and recruit with typists.

You will notice in the Tax Division their request is for 25 lawyers and only 5 clerks. Ordinarily the ratio is one girl for every two lawyers, but because of the savings we have made in their stenographic and clerical operations, they are only going to need five more clerks.

Mr. Bow. You are going to need five more but not five less?

Mr. ANDRETTA. No; if you add 25 lawyers ordinarily, you would need about 15 clerks. We have been able to divert some of our personnel to this pool operation and this mechanical operation makes the necessity for more clerks that go with the new lawyers that much less.

Mr. ROONEY. Why does it not reflect on the lawyers that have been on the payroll all along?

Mr. ANDRETTA. It would not reflect on the lawyers. You mean on the clerical help?

Mr. ROONEY. On the ratio between lawyers and clerks?

Mr. ANDRETTA. It should. That is what I say; that is the difference that you get in recruiting for the new jobs, because you are going to slough off clerks from the lawyers.

Mr. ROONEY. I think you started off with the wrong answer to Mr. Bow's question. I could have thought of a better one.

Mr. ANDRETTA. He wanted to know where the savings was in this one operation.

Mr. Bow. This is interesting, too. On page 9–15 you show major surveys completed as 11 in 1963 but you do not show any progress from 1962. You have no surveys going on in 1963?

Mr. ANDRETTA. Yes, sir.

Mr. Bow. On page 9-15——

Mr. ANDRETTA. It shows 13 in 1963 and 13 in——

Mr. ROONEY. Mr. Bow is talking about major surveys.

Mr. Bow. I am talking about pages 9–15 and then in progress on June 30, you have a blank for 1963. There is nothing in progress for 1963?

Mr. ROONEY. Maybe that is good.

Mr. ANDRETTA. I do not understand that. There is something wrong.

Mr. Bow. This sheet does not give you very much information.

Mr. ANDRETTA. There are only three analysts in the Management Office.

Mr. Bow. Then I am very much interested in the fact that you said 28 forms, as shown on page 9–16, were disapproved in 1963 and you are going to have 28 more disapproved next year. Why do you have 28? Do you estimate what will be disapproved in 1963?

Mr. ANDRETTA. What page are you looking at now?

Mr. Bow. Page 9–16. This gives us a great deal of knowledge of what is going on down there, all these figures.

Mr. ANDRETTA. This is the Forms and Reports Section and this means we disapproved 16 forms that were submitted.

Mr. Bow. I see. Where is that figure on page 9–16?

Mr. ANDRETTA. Under 1960.

Mr. Bow. We are back to 1960 now?

Mr. ANDRETTA. Yes. In other words, all forms for the Department have to clear through this office and we look at them to see if they are duplications, or if they are essential, or if they meet the proper requiremens.

Mr. Bow. Who heads up this Office of Management Improvement?

Mr. ANDRETTA. Mr. Ben Willis, a former FBI agent, and who later was the administrative man in the Internal Security Division.

Mr. Bow. How many people do you have there?

Mr. ANDRETTA. Right now there are three management analysts and then we have a lady in charge of this forms and reports section, and three clerks.

Mr. Bow. You have no increase in that section?

Mr. ANDRETTA. No, sir.

Mr. Bow. You anticipate none this fiscal year?

Mr. ANDRETTA. No, sir.

Mr. Bow. That is all.

Mr. ROONEY. Are there further questions?

Mr. CEDERBERG. There are two ways to justify an appropriation increase; one is to refer to increased workload and the chairman stated the other. That is usually a good answer.

Mr. ANDRETTA. Yes, sir.

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
11 Personnel compensation:			
Permanent positions	11,321	12,987	14,323
Positions other than permanent	192	129	129
Other personnel compensation	836	1,205	1,383
Total personnel compensation	12,349	14,321	15,835
12 Personnel benefits	877	975	1,080
21 Travel and transportation of persons	776	738	899
22 Transportation of things	7	2	2
23 Rent, communications, and utilities	217	224	330
24 Printing and reproduction	491	454	515
25 Other services	233	196	244
26 Supplies and materials	133	109	121
31 Equipment	210	88	127
Unvouchered		20	20
Total costs	15,293	17,127	19,173
Change in selected resources	270		
Total obligations	15,563	17,127	19,173

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions	1,538	1,566	1,666
Full-time equivalent of other positions	23	14	14
Average number of all employees	1,394	1,509	1,584
Number of employees at end of year	1,492	1,519	1,616
Average GS grade	9.2	9.1	9.1
Average GS salary	$8,163	$8,775	$8,794
Average salary of ungraded positions	$14,425	$14,425	$14,425

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Conduct of Supreme Court proceedings and coordination of appellate matters	442	451	511
2. General tax matters	3,396	3,713	4,330
3. Criminal matters	2,549	3,011	3,232
4. Claims, customs, and general civil matters	3,634	3,839	4,362
5. Land matters	3,040	3,665	3,808
6. Legal opinions	469	512	544
7. Internal security matters	984	1,091	1,132
8. Civil rights matters	779	845	1,254
Total program costs, funded	15,293	17,127	19,173
Change in selected resources [1]	270		
Total obligations	15,563	17,127	19,173
Financing:			
Unobligated balance lapsing	222		
New obligational authority	15,785	17,127	19,173
New obligational authority:			
Appropriation	15,785	16,500	19,173
Proposed supplemental due to pay increases		627	

[1] Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, $177,000; 1962, $447,000; 1963, $447,000; 1964, $447,000.

Mr. ROONEY. If there are no further questions, gentlemen, we shall turn to page 77 of the committee print where you will find the item entitled "Salaries and expenses, general legal activities." The details are to be found under tab 10 of the justifications.

The request for "Salaries and expenses, general legal activities," which includes the various offices set forth at page 10–1 of the justifications, comes to $19,173,000 in the coming fiscal year which would be an increase of $2,673,000 over the amounts appropriated for these various divisions and offices in the current fiscal year.

Included in this is the Tax Division which was referred to on yesterday by the Attorney General. We shall at this point insert in the record pages 10–1 through 10–5 of the justifications.

(The pages follow:)

Summary analysis of estimate

[In thousands of dollars]

Appropriated, 1963	$16,500
Proposed pay act supplemental	627
Appropriation, 1963 (adjusted)	17,127
Estimate, 1964	19,173
Increase	2,046

Analysis by activities

Office or division	1963 requirements	Decreases	Increases		1964 estimate
			Pay act	Other	
Solicitor General	451		9	51	511
Tax Division	3,713		136	481	4,330
Criminal Division	3,011	35	116	140	3,232
Civil Division	3,839		155	368	4,362
Lands Division	3,665		99	44	3,808
Office of Legal Counsel	512		21	11	544
Internal Security Division	1,091		46	−5	1,132
Civil Rights Division	845	5	30	384	1,254
Total obligations	17,127	[1] 40	612	1,474	19,173

[1] Nonrecurring provisions for rent.

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 $19,173,000 will be needed for fiscal year 1964 to meet the requirements of the several legal divisions listed above. This is a net increase of $2,046,000 over the amount required for 1963 after eliminating nonrecurring items for rent totaling $40,000.

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	
	1961	1962	1963	1964
Pending, beginning of year	4,416	4,704	5,212	5,598
Received	6,885	7,881	8,275	8,689
Terminated	6,597	7,373	7,889	8,441
Pending, end of year	4,704	5,212	5,598	5,846

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

Caseload

	Actual		Estimate	
	1961	1962	1963	1964
Pending, beginning of year	162	183	202	197
Received	3,777	4,547	4,850	4,935
Terminated	3,756	4,528	4,855	4,923
Pending, end of year	183	202	197	209

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	
	1961	1962	1963	1964
Pending, beginning of year	[1] 13,632	[2] 16,399	14,719	15,924
Received	9,116	9,768	10,330	10,635
Terminated	7,945	[3] 11,448	9,125	9,480
Pending, end of year	14,803	14,719	15,924	17,079

[1] Corrected figure.
[2] Adjusted to include active cases in past-judgment status.
[3] Includes 1,208 cases closed under delegation order.

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 person within the jurisdiction of the United States are covered by this function.

Caseload

	Actual		Estimate	
	1961	1962	1963	1964
Pending, beginning of year	607	898	1,553	1,100
Received	2,957	3,414	4,000	4,200
Terminated	2,666	3,159	4,053	4,200
Pending, end of year	898	1,153	1,100	1,100

Mr. ROONEY. The allowance of this requested increase would entail the addition of 100 positions to the payroll.

OFFICE OF SOLICITOR GENERAL

WITNESS

ARCHIBALD COX, SOLICITOR GENERAL

Mr. ROONEY. The first of the items which make up the total of "Salaries and expenses, general legal activities," is that for the Office of the Solicitor General?

The details with regard thereto are to be found under tab 11 of the justification book. The amount requested is $511,000 which would be an increase of $71,000 over the amount appropriated for the Office of the Solicitor General in the current fiscal year.

We shall insert at this point in the record pages 11–1 through 11–5 of the justifications.

(The pages follow:)

Office of the Solicitor General

Appropriation, 1963	$440,000
Proposed Pay Act supplemental	11,000
Appropriation, 1963 (adjusted)	451,000
Estimate, 1964	511,000
Increase	60,000

Under the direction of the Attorney General, the Solicitor General has special charge of the business of, and appears for and represents, the Government in the Supreme Court. When requested by the Attorney General, the Solicitor General may conduct and argue any case in any court of the United States in which the United States is interested, or may attend to the interests of the Government in any State court or elsewhere, conferring with and directing the activities of the Federal law officers throughout the country when the occasion so requires. No appeal is taken by the United States to any appellate court without the authorization of the Solicitor General.

AMOUNT REQUESTED

It is estimated that this Office will need $511,000 to cover its operating expenses in fiscal year 1964. The increase of $60,000 is required to meet the cost of complying with statutory provisions regulating the compensation and benefits of employees and to cover the mounting cost of printing.

The items of increase are as follows:

Additional Pay Act cost in 1964 (Public Law 87–793)	$9,200
Within-grade promotions	2,600
2 days' regular pay in excess of 52-week base (5 U.S.C. 944c)	2,200
Personnel benefits related to above	1,000
Estimated increase in printing requirements	45,000
Total	60,000

GENERAL STATEMENT

The work of this Office must be handled promptly and with the utmost care. The presently authorized staff of 27 skilled attorneys and administrative personnel are needed to process the workload which continues to increase slightly from year to year. It is contemplated that the probable increase in workload in 1963 and 1964 can be handled by the present staff.

Additional funds are required, however, to pay statutory salary increments, the cost of related personnel benefits, and the higher cost of printing which continues to increase due to higher prices and the greater volume of matter to be printed.

Printing costs in 1962 totaled almost $214,000, or about 23½ percent more than in 1961. The allotment for 1963 is only $173,000, or $41,000 less than the actual cost in 1962. The total of $218,000 requested for 1964 is about 2 percent more than the actual cost in 1962.

Workload

	Actual			Estimated	
	1960	1961	1962	1963	1964
Cases or matters:					
Pending beginning of year	[1] 132	[2] 149	142	135	133
Received	627	694	708	723	733
Terminated	164	701	715	725	730
Pending end of year	145	142	135	133	136
Other activities:					
Appellate determinations made by the Solicitor General's Office	863	932	952	967	977
Certiorari determinations made by the Solicitor General's Office	371	409	400	415	425
Miscellaneous recommendations passed on in the Solicitor General's Office	148	199	173	200	210
Total cases or matters	2,141	2,383	2,375	2,440	2,478

[1] Figure corrected to adjust omissions in 1959 report.
[2] Figure corrected to adjust omissions in 1960 report.

Mr. ROONEY. We have with us the distinguished Solicitor General of the United States, Mr. Archibald Cox.

What have you to say about this, Mr. Solicitor General?

Mr. Cox. Good morning, Mr. Chairman.

I think this can be put very briefly. Our work and budget remains just about as it has been for a number of years.

The increases are either statutory pay increases or related things that go with them, except for an increase in printing, which is three-quarters of the whole increase requested.

Mr. ROONEY. That is $45,000?

Mr. Cox. That is a $45,000 item. You are right. That is something we have virtually no control over. The briefs have to be printed and the expenses of the Government Printing Office are something we cannot control.

Mr. ROONEY. With reference to your workload, it would appear from your chart at page 11–5 that the workload in the past fiscal year was comparable to that in the previous fiscal year; to wit, 1961.

Mr. Cox. Yes.

Mr. ROONEY. In view of this, I am wondering why we need this $45,000 aditional? Can you tell us something about what the Government Printing Office tells you? Have you had any communication with them?

Mr. Cox. About half, as near as I can find out——

Mr. ROONEY. Half of what?

Mr. Cox. Half of the $45,000 would be attributable to increases in their costs; that is, labor and other items. That is a rough estimate. They do not give us the exact amount. The number of items as shown on page 11–5 is only a very, very rough indication of what the printing cost would be because a record in which the United States is an appellant may be 20 volumes but it shows here as 1 case, just the same as a case in which the United States is an appellant but only a 15- or 20-page record.

Mr. ROONEY. The same would apply in the other direction?

Mr. Cox. It could apply either way, that is quite true. That is why it varies from time to time.

Mr. ROONEY. Thank you, Mr. Cox.

Mr. Cox. Thank you, Mr. Chairman.

TAX DIVISION

WITNESSES

L. F. OBERDORFER, ASSISTANT ATTORNEY GENERAL
J. B. JONES, FIRST ASSISTANT
C. G. TADLOCK, EXECUTIVE ASSISTANT

Mr. ROONEY. Gentlemen, the next item is for the Tax Division and the details are to be found under tab 12 of the justification book. It is indicated that the request is in the amount of $4,330,000, which would be an increase of $767,000 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 12–31 of the justifications.

(The pages follow:)

Tax Division

Appropriation, 1963	$3,563,000
Proposed pay act supplemental	150,000
Appropriation, 1963 (adjusted)	3,713,000
Estimate, 1964	4,330,000
Increase	617,000

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 State courts; (2) the preparation of briefs and the conduct of oral arguments in the U.S. courts 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 Divison will require $4,330,000 to meet its needs for 1964. This is an increase of $617,000 over the amount required for 1963 and provides for salaries for 10 months of fiscal year 1964 and related costs of 30 additional employees (25 attorneys and 5 supporting personnel) as well as costs of statutory provisions relating to Government personnel.[1]

The increase is needed for the following purposes:

Cost of complying with statutory provisions:	
Additional pay act costs in 1964 (Public Law 87–793)	$136,400
Within-grade promotions	50,000
2 days regular pay in excess of 52-week base (5 U.S.C. 944c)	27,500
Personnel benefits related to above	14,300
Total	228,200
Additional staff (30):	
Salaries:	
5 GS–13 attorneys at $11,170	55,850
10 GS–12 attorneys at $9,485	94,850
10 GS–11 attorneys at $8,050	80,500
5 GS–4 clerks at $4,118	20,590
Total	251,790
Less: 2 months lapse	41,990
Total	209,800
Personnel benefits related to above	15,700
Travel	16,000
Communications	2,000
Rent (to be transferred to GSA)	25,000
Total	27,000
Printing and reproduction	5,000
Other services	1,300
Supplies ($50 each)	1,500
Equipment:	
25 attorneys at $375 each	9,375
5 clerks at $625 each	3,125
Total	12,500
Grand total	288,800
Increased travel requirements due to higher per diem rates not provided for in 1963 ($35,000) and more travel required in connection with stepped-up tax enforcement ($64,500)	100,000
Total increases	617,000

GENERAL

The volume of tax litigation is rising sharply. Taxpayers are bringing suits in increasing numbers for the refund of taxes; and the number of delinquent taxpayers is growing. Activity in the administrative summons enforcement area

[1] The Congress supplemented the staff of the Division for fiscal 1962 by authorizing 96 additional positions. No increase was requested for the current year.

has risen steadily, and there is a growing inclination by taxpayers to attempt to enjoin the collection of assessed taxes. The Tax Division for the most part has no control over the number or types of revenue cases and matters it is called upon to handle. The basic program depends upon enforcement plans of the Internal Revenue Service. The activities of that agency generate tax controversies in the courts. Expansion of enforcement activities by the Revenue Service requires an increase in the resources of the Tax Division. Likewise, the Tax Division's programing during such expansion should call for the adoption of procedures and techniques which will assure speedy handling and disposition of the increased number of cases in a manner calculated to discourage violations of the revenue laws.

In 1961, the Treasury Department launched its long-range plan to raise the level of enforcement and to otherwise encourage full compliance with the tax laws. In that year Congress authorized an increase in enforcement personnel and provided funds to commence ADP. Congress made further grants of funds for 1962 and 1963 to employ additional employees and to further expand ADP.[2]

The Tax Division has expanded its program in order to be in a position to backstop Treasury's enlarged effort. The Congress granted funds to employ 96 new employees for the 1962 fiscal year. Early last year a plan was devised which called for the Division to move to the offensive in all litigation, especially in refund suits, and a concentrated effort was made to establish special tax dockets throughout the country. Such programing has proven not only to have been essential in view of developments, but, the results indicate even greater success in resisting efforts to frustrate the revenue collection process. New work in fiscal year 1961 increased 7 percent and was up 14 percent in fiscal 1962.[3] The margin of success in appellate court decisions in tax cases in 1962 was slightly above 74 percent, the best year in history. And the average time to conclude a case was reduced to the shortest interval in history.

Facing an increase in work is not a new experience for the Tax Division. The principal problem over the past two decades has been the steady rise in the volume of litigation the Division is called upon to handle. This growth is revealed by the following tabulation and chart presentation:

	1962	1961	1960	1955	1950	1947
New tax cases in court:						
Civil	7,142	6,159	5,783	3,959	2,731	1,465
Criminal	739	726	686	585	360	395
Total	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 90 percent of the volume of work, and criminal, the remaining 10 percent. Likewise, civil work accounts for 90 percent of the cost of operations and the criminal activity 10 percent.[4]

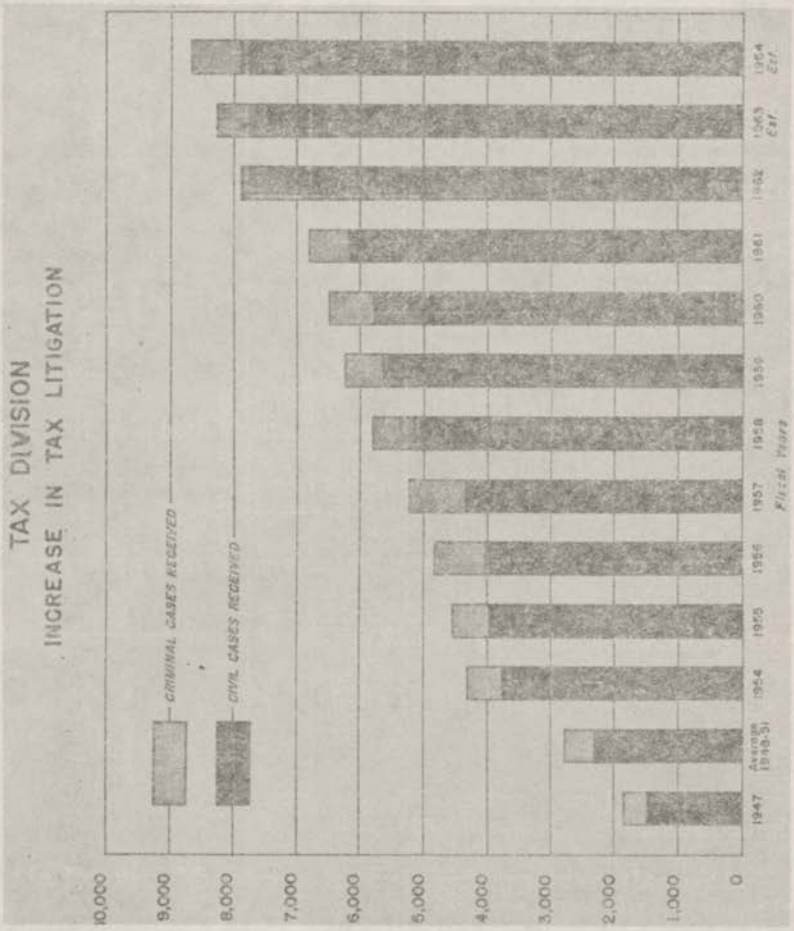
A. Workload data and past year's performance

Fiscal year 1962 saw a record for receipts of new business. In spite of this, the Division concluded a record number of cases; for the most part, met all deadlines; maintained the work on a current basis; set new highs for work production and success in appellate court decisions; embarked on a new program to further expedite the processing of cases; established an experimental field office; revised its reporting system; installed a mechanical dictation system for accomplishing a

[2] In the past 3 years, 8,800 new employees have been authorized the Internal Revenue Service.

[3] Work in the first 5 months of the current year was up 37 percent over the same months last year, which in turn was up 20 percent over the 1961 fiscal year. Thus, work has jumped better than 50 percent in the past 2 years.

[4] Twenty-five 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.


TAX DIVISION
INCREASE IN TAX LITIGATION
CRIMINAL CASES RECEIVED
CIVIL CASES RECEIVED
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
1947
Average (1948-53)
1954
1955
1956
1957
1958
1959
1960
1961
1962
1963 Est.
1964 Est.
Fiscal Years

portion of its written communications and legal documents; and, secured in the Treasury more than $100 million in taxes.

1. *Workload data and backlog.*—(*a*) Workload and predictions: During fiscal year 1962, the volume of new business continued to increase as it has in every year except one since the conclusion of World War II. There is every indication that the upward trend 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.

Workload data: Actual 1950–62, estimated 1963–64

Work	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	Estimated	
														1963	1964
Pending	7,687	4,454	4,875	5,540	6,606	6,770	6,210	5,064	4,685	4,386	4,261	4,416	4,704	5,212	5,598
Received	3,091	3,130	3,836	4,360	4,314	4,544	4,827	5,225	5,811	6,227	6,469	6,885	7,881	8,275	8,689
Closed	2,324	2,709	3,171	4,294	4,150	5,104	5,973	5,604	6,110	6,352	6,314	6,597	7,373	7,889	8,441
Pending	4,454	4,875	5,540	6,606	6,770	6,210	5,064	4,685	4,386	4,261	4,416	4,704	5,212	5,598	5,846

NOTES

Predictions:

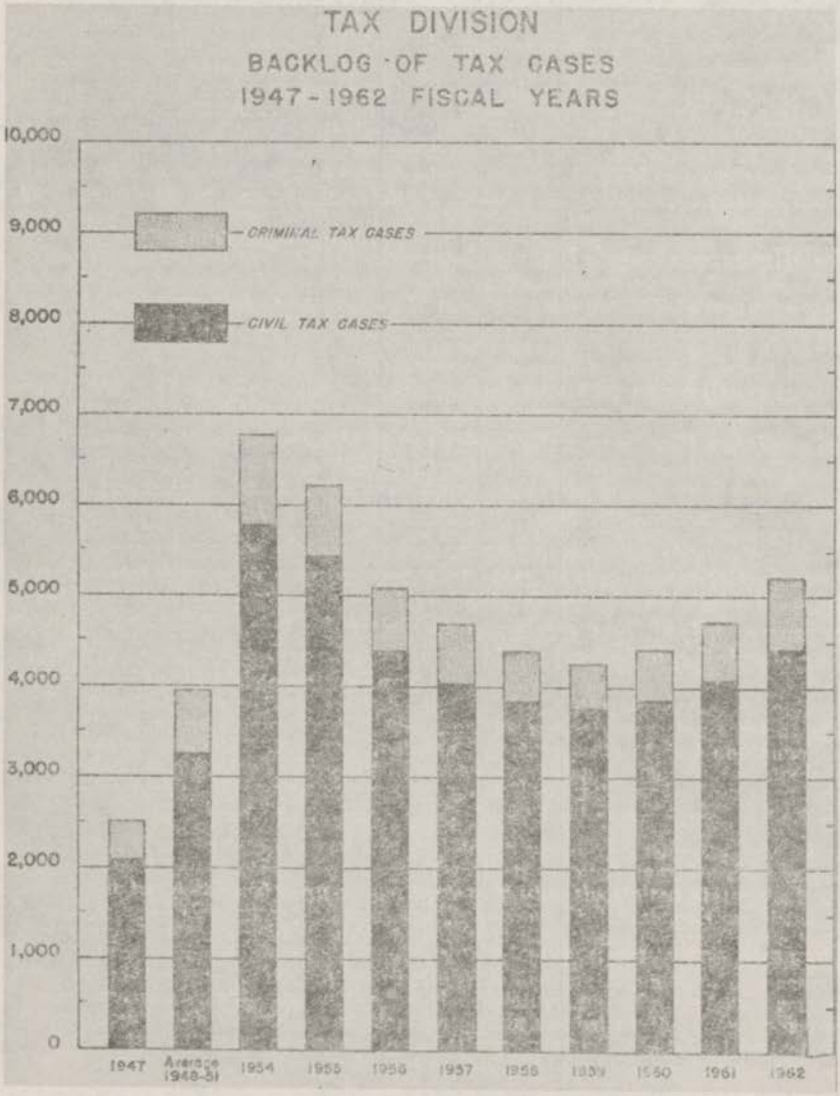
Received: Increased 14 percent in fiscal year 1962, and it is predicted that new work will go up 5 percent in 1963 and 1964.

Closed: Increased 11 percent in fiscal year 1962, and it is estimated that closings will increase approximately 7 percent in 1963 and approximately 7 percent in 1964.

In presenting the workload data chart with the justification for the 1963 fiscal year it was predicted that the Division would receive 7,225 tax cases and matters in fiscal 1962 and close 7,000. Receipts totaled 7,881, while closings were 7,373, with the result that the pending workload increased by 508 cases.

(*b*) Backlog: As indicated in the workload tabulation, supra, the backlog increased at the end of the 1962 fiscal year despite an increase in closings. This was due entirely to the fact that receipts were considerably higher than predicted.

The backlog increased for the third consecutive year and there may be cause for alarm if the trend continues. Every effort should be made to insure that the number will not reach the proportions experienced in the early 1950's. The dangers involved are revealed in the following bar chart which reflect, among other things, the success in reducing the backlog in the 5-year period 1955–59, and the reversal of that trend in fiscal 1960.



Reductions in backlog cannot be predicted for fiscal years 1963 and 1964 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 1955) it required more than twice as long to handle a tax case as it did in the period 1960–52. (See sections on speedup and currency of work, infra.) Emphasis will continue to be directed toward allowing only moderate increases in backlog and the work will be kept current. It is hoped that the high peaks of former years (as revealed in the chart) can be avoided.

2. *Work production.*—There has been a steady rise in work production in the last 12 years and a sharp increase since 1955. For the fifth straight year the legal staff made more than 1,000 formal court appearances to try or argue cases.

	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952
Cases tried or argued	1,296	1,198	1,131	1,281	1,017	922	921	756	683	578	446
Briefs prepared	1,534	1,398	1,114	1,071	976	946	933	789	731	583	504
Pretrails conducted	779	575	492	438	387	243	(1)	(1)	(1)	(1)	(1)
Legal memorandums	2,992	2,949	2,826	2,812	2,607	2,847	2,485	2,059	1,941	1,728	1,470
Responsive pleadings	1,342	1,243	1,478	1,405	1,096	1,053	1,014	896	(1)	(1)	(1)
Complaints filed	336	273	359	427	285	175	141	116	196	140	124

(1) Figures not available.

Tax Division attorneys conducted 92 percent of all trials and arguments in fiscal 1962, a 2-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;[5] and numerous field trips were made to obtain witnesses and exhibits and to otherwise prepare cases for trial.

3. *Speedup.*—The Tax Division continued during the 1962 fiscal year the program to speed up the handling of litigation and remove roadblocks to expeditious conclusion of court cases. The swift 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.

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

	1962	1961	1952
Average time to—			
Handle a tax case	1 year, 3 months	1 year, 6 months	3 years.
Process criminal cases	3 months, 26 days	5 months, 16 days	8 months, 15 days.
Process settlement offers	2 months, 17 days	2 months, 22 days	6 months.
Issue checks to taxpayers	1 month, 9 days	2 months, 6 days	7 months, 16 days.
Average number of extensions per case.	0.14	0.09	2.+

The record in fiscal 1962 is significant for several reasons; e.g., new work was a burden, increasing more than was expected, the staff was new and inexperienced, as were a third of the judges, etc.

4. *Success.*—In fiscal 1962, the Tax Division maintained a high margin of success in handling tax litigation in the courts. The overall percentage of

[5] The Division's staff has taken the offensive in all litigation. The Division represents the defendant in refund suits and while the normal practice is to await moves by the plaintiff, the Government 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. In fiscal 1962, 777 depositions were taken, 166 interrogatories were served, and 57 requests for admissions, and 80 requests for the production of documents were made. 779 cases were pretried in fiscal 1962, a 50-percent increase over 1961.

Government victories was 69 percent. Taxpayers seeking tax refunds in civil cases recovered only 12 percent of the amounts claimed, which matched the lowest percentage on record. And, on the criminal side, convictions were obtained in 96 percent of the cases disposed of during the year. The following figures compare recent results with various periods in the past:

[In percent]

	1962	1961	1960	1955	1950	1948
Government wins	69	70	71	61	67	69
Taxpayers' recoveries	12	14	12	27	52	61
Criminal convictions	96	95	94	93	98	95

The final box score in the Supreme Court term for tax cases shows nine Government wins, two losses, and five partial decisions. The issues in those cases attracted nationwide interests, involving many millions of dollars in tax liability, and had far-reaching consequences for the assessment and collection procedures of the Revenue Service.[6]

The Government's position was upheld in 239 of 326 decisions of the courts of appeal (a 73-percent margin) while the Government was successful in 297 of 453 trial court judgments (a 66-percent margin).

The conviction of 552 percons for tax fraud brougth to 5,831 the number found guilty in the past 10 years, and 8,731 in the past 30 years. The number of convictions was a record for the past 4 years as revealed by the following figures:

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

5. *Savings and recoveries.*—During 1962, as a direct consequence of the activity of the Tax Dixision $123.1 million was saved for the Treasury or collected from taxpayers. In refund suits the Department saved the Treasury $62.3 million, and limited recovery against the Government to 12 percent of the amount claimed in such suits. The percentage of recovery equalled that in fiscal 1960, the lowest percentage of recovery for taxpayers in the history of the Division.[7] The Tax Division obtained judgments in collection suits against delinquent taxpayers in the amount of $16.2 million during 1962, compared with $13.9 million the year before and $9.1 million in 1952. The Division upheld in the appellate courts decisions in the Tax Court against taxpayers in the amount of $25.4 million.[8]

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[6] Among the tax matters resolved by Supreme Court litigation in the last term were decisions (1) sustaining the immunity of Federal land banks from State personal property taxes; (2) holding that State law may not control the form or contents of the notice of Federal tax lien; (3) narrowly limiting the area in which the courts may hold inapplicable the statutory prohibition against injunctions to prevent the collection of Federal taxes; (4) holding that Federal tax penalties, though supported by liens, are not allowable claims in bankruptcy; (5) not permitting a taxpayer, sent to Florida for his health, to deduct his rent there as a medical expense; (6) allowing amortization of a bond premium with reference to a special redemption price set out in the indenture; (7) holding that a husband realizes gain on the transfer of appreciated stock to his divorced wife in settlement of his marital obligations; (8) denying a deduction to a husband for amounts paid to his divorced wife's attorneys for their tax advice to her; (9) holding that an exchange of stock in one corporation for stock in another must qualify as a "reorganization" before the statutory provisions which determine the extent to which realized gain will be recognized become operative. The Court, after argument on the merits, decided that the writ of certiorari should not have been granted to review a court of appeals decision that the value of a company's expense-paid trip to a convention in New York was taxable income to the employee.

[7] Taxpayers sue for the recovery of taxes already paid into the Treasury and unlike many plaintiffs' suits, the amount is not distorted by inflated claims for monetary relief, thus, the successful defense of refund suits results in real savings to the Government. Over the past 16 years, the percentage of recovery has averaged 23 percent (ranging from a high of 53 percent in 1953 to the low of 12 percent in fiscal years 1960 and 1962). If taxpayers had recovered 23 percent (rather than 12 percent) an additional $8 million would have been disbursed by the Treasury in fiscal 1962.

[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.

In addition, the Division successfully resisted the attempts of State and local governments to impose $17.2 milion in taxes against instrumentalities of the Federal Government. Finally, $2,016,658 was levied as fines against persons convicted of criminal violations of the tax laws.

On the debit side, $1,936,296 was paid in interest on judgments in refund suits.[9] However, a reference to the section on speed-up (*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 1⅓ months, such actions resulting in a savings of at least $200,000 in interest in fiscal 1962.[10]

6. *Current posture of tax litigation.*—The Tax Division has as its principal objectives 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 this drive, which was commenced in 1955 when it was discovered that about one-half of all cases had been pending more than 2 years, only about 16 percent of the cases in the Division at the end of fiscal 1962 had been pending more than 2 years. The following tabulation is of significance.

Cases under 2 years old, end of fiscal year

[In percent]

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

7. *Tax Divisions' role in organized crime program.*—The development of an increasing number of criminal tax cases as a result of the efforts of the Organized Crime and Racketeering Section of the Criminal Division has increased the counseling, review, and trial activities of the Criminal Section of the Tax Division and this work can be expected to increase as the product of the efforts of the Criminal Division increases. The Criminal Section of the Tax Division is counseling the Criminal Division on tax aspects of its activities. Criminal tax cases developed as a result of the Criminal Division's efforts in the organized crime field are reviewed by the Tax Division in the same way as all other criminal tax cases recommended for prosecution are reviewed, and the Tax Division remains responsible for authorizing prosecutions in all criminal tax cases. The trails of those criminal tax cases which are prosecuted are supervised by the Tax Division and Tax Division trail attorneys will participate in or conduct many of the more important or complex criminal tax trials resulting from the organized crime effort.

As a byproduct of the stepped-up efforts of the Organized Crime Section of the Criminal Divsion, private attorneys more skilled in criminal trail defense tactics than in tax matters are appearing at early stages of many criminal tax investigations, employing dilatory legal procedures to interdict tax investigations. Tax Division attorneys represent the Internal Revenue Service in many of the preliminary proceedings involving administrative summons enforcement and various injunction actions. While this work has been carried out with great success, it is demanding, time consuming, and promises to become heavier before it abates.

8. *Procedural and Administrative Improvements—Manpower utilization.*—The past year was one of growth and expansion for the Tax Division. The Congress granted a substantial increase in funds and personnel and the volume of new

[9] This is a marked improvement over the past 2 years when $3,388,520 was paid out in interest in 1961 and $2,026,168 in 1960.

[10] Of the total amount paid out in interest, $422,999 is attributable to time in litigation, while the remainder of $1,513,297 is due to the time for consideration at the administrative level.

work continued its upward trend. Even though attention was concentrated on the recruiting and placement of the additional personnel, emphasis was placed upon full utilization of available manpower. The Tax Division established a field office in Fort Worth, Tex., on an experimental basis; accelerated its efforts to establish special tax dockets to handle civil tax cases in the Federal district courts (such dockets have been set up in Birmington, Detroit, Philadelphia, Baltimore, and Milwaukee and are being established in Chicago, New Orleans, Kansas City, Wichita, and other major cities); established an informal review procedure which should make it possible more quickly to determine which cases should be tried and which should be settled; extended the settlement option procedure with the Internal Revenue Service which enables the Department to settle an even larger number of cases (involving up to $50,000) without reference back to the Internal Revenue Service; and entered upon a vigorous program of discovery in the preparation of civil cases. Administratively, the Division instituted and completed a pilot study which indicated that much of its secretarial work can be done by mechancial means; revised its reporting system in order to obtain more varied data in a much shorter period of time; and completed the expansion of its staff by over 100 employees as authorized by the last session of Congress.

(*a*) Field Office: On February 1, 1962, the Tax Division established an experimental field office in Fort Worth, Tex., to determine whether the heavy caseload in the Dallas region of the Intenral Revenue Service could be handled more efficiently and more economically. Seven attorneys has been assigned to the field office and handle civil refund tax cases in the 12 judicial districts in Texas, Louisiana, Arkansas, Oklahoma, and New Mexico comprising the Dallas region.

Fort Worth was chosen as the experimental site because of a particularly heavy tax docket in the Fort Worth-Dallas area. Specifically, Forth Worth was selected because rent-free space was available in the Federal building.

While it is too early to come to conclusions concerning the experiment, it can be said first that cases are moving rapidly and aggressive on-the-scene preparation, featured by extensive use of discovery, has resulted in placing the cases in a more current posture; and second, that bench and bar are favorably impressed and have come forward with many expressions of approval of the arrangement. Ultimately, it must be decided whether the benefits to be gained from such decentralization will equal or offset the possible disadvantages of reduced control of litigation from the seat of Government and whether uniform administration of the tax laws will be seriously jeopardized.

While $24,478 was expended in the 5 months from February 1 through June 30 in establishing and operating the Fort Worth office, it has been determined that $9,100 would have been expanded in handling cases from Washington; thus, it may be concluded that the experiment cost the Department only $13,478 which included the transfer of the headquarters of personnel, the purchase of a minimum amount of equipment and supplies, and expense of communication. Travel to the five States during the first 7 months of the fiscal year (when there was no field office) totaled $16,088 and averaged $2,298 per month, while travel within the Fort Worth office area in the last 5 months of the year, during which time the field office was in existence, cost $9,100 and averaged $1,820 per month.

(*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 undertook a program which has led to extensive use of dictating machines.

After a pilot study of 7 months, it was concluded that a good portion of the Division's typewritten communications 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 there are high hopes of achieving the initial objectives, although the project must still be classified as experimental.

The equipment, with an estimated life of at least 10 years, cost the Division $42,000 over the past 2 years and consists of 5 telephone links to all Division telephones, 100 dictating machines, and 24 transcribers. It is hoped that this expenditure will be offset many times by savings in salary costs. The usual practice is to assign one legal stenographer to each of two operating attorneys except those in the higher grades on special assignments. When the new program is in full operation the ratio will be 1 stenographer for each 3 operating

attorneys, with the exception noted; and there will be 20 transcriptionists in the secretarial units. This will result in a gross savings of 10 positions. Because of the substantial increase in workload and staff and due to the relocation of four operating sections in space outside the main Justice Building, it has been necessary to assign two additional clerks to the Statistical and Docket Unit, one additional law clerk to the Digest Unit, one additional general clerk to handle lien cases and one additional messenger. These necessary additions will be made possible by the savings resulting from the mechanical dictation programs. Thus, there will be a net savings of five positions, or $20,020 per year. Under the new plan only 8 stenographers will be required for the 25 additional attorney positions requested herein instead of 12 stenographers under the prior practice. However, when the five positions saved are considered, it is necessary to request only three additional stenographers. Thus, there is an accomplished savings of $20,020 per year and an additional anticipated savings of $16,360 per year, making a total savings of $36,380 per year.

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

Many of the measures adopted in the past have been reported in previous justifications and the work continues to benefit from their installation and operation. 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 section 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.

If it had not been for the unexpected 14 percent rise in new work, these and other procedural and administrative changes and improvements would have resulted in substantial monetary savings. However, the Division was able to cope with the new work without requesting additional funds. As the mechanical dictation program progressed it was possible to assign the needed administrative personnel mentioned in this section (supra). A program to discourage use of commercial telephone and telegraph facilities and to facilitate employment of GSA wire service, with each call made at 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 100 more trials and arguments, 200 more pretrials and the taking of 777 depositions.

9. *Comparisons.*—The past decade has seen a complete 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 has more than doubled as revealed by the following figures:

	Percent 1962 over 1952
Cases received	106
Cases closed	133
Court appearances	165
Briefs prepared	212

Compared with the first 20 years of its existence, the performance of the past 10 years is spectacular.

	1st 20 years	Last 10 years	Total
Criminal convictions	2,900	5,831	8,731
Savings and collections	[1] $593	[1] $994	[1] $1,587
Cases received	51,432	56,518	107,950
Cases closed	45,861	56,871	102,632
Trials and arguments	12,918	9,768	22,686
Briefs written	12,804	11,108	23,912

[1] Shown in millions of dollars.

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 and limiting recoveries against the Government, (d) substantial monetary savings in principal and interest in litigated cases, and (e) the adoption of several procedural, operating and administrative changes which have contributed to better performance and fuller utilization of manpower.

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

1. *Pending.*—There were 5,212 cases involving $640 million pending at the beginning of the current fiscal year.[11] This represented an average caseload per attorney of 32 cases involving $3.8 million. It has been estimated that 8,275 cases will be received in the current year (a 5 percent increase) and that the staff will be required to handle 13,487 cases or 73 cases per attorney.[12]

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

At the beginning of the budget year there should be approximately 5,600 cases pending or 34 cases per attorney. During the budget year it is estimated that about 8,700 cases will be received (likewise a 5-percent increase).[13] If the average caseload is to be maintained at 32 to 34 pending cases and 70 to 74 cases handled an increase of 25 attorneys is necessary.[14] 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: As was the situation at this time last year when a continuation of the upward trend in the volume of tax litigation was predicted, there is every indication that new work will increase in the current and budget years. The Internal Revenue Service is starting the third phase of its stepped-up enforcement and collection program, the number of insolvencies continues to climb, defense spending is again on the rise, and the population and economy continue to grow. All of 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

[11] The pending load was the largest in the past 6 years and revenue in controversy was the largest in history.

[12] In view of a 14-percent increase in work in 1962, a 7-percent increase in 1961, and a 40-percent increase in the opening months of the current year it is believed that the 5-percent increase for each of the fiscal years 1963 and 1964 represent 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.

[13] In the past, the average caseload was 50 or more cases. In requesting funds for fiscal 1962, the problems created by the heavy average caseload were called to the attention of Congress. Additional positions were authorized and by the end of fiscal 1962 the average was down to 32.

[14] The increase in attorneys is approximately 10 percent which matches the estimated increase in new work by 1964.

pace with the increase over the past decade in revenue cases. The modest increase requested herein (30 employees and less than $500,000 in funds) should assure that the responsibilties to the taxpayer and Government are carried out in fiscal 1964.

(*b*) Treasury's enforcement and collection program: In the past 3 years Congress has increased the staff of the Internal Revenue Service by more than 8,800. The latest addition called for 2,900 new enforcement employees. Congress also authorized and financed the institution of an automatic data processing system which should create thousands of new tax controversies between taxpayers and the Federal Government. At the same time Congress' decision not to authorize withholding of income tax on dividends and interest but to require more reporting by payors may well increase the enforcement responsibility of the Service and the Tax Division in both collection and criminal cases involving nonpayment of tax on dividends and interest.

The Revenue Service has changed direction in the past few years and is concentrating greater efforts (partly through the utilization of new techniques, and partly through organizational and operational improvements) on detection and collection of delinquent accounts.

The entire program of the Treasury Department has been aimed at achieving maximum compliance with the self-assessment system of collecting revenue. The place of the Tax Division in this endeavor is to furnish legal assistance and guidance (principally through the obtaining of court decisions) to the Revenue Service and the public. When all administrative efforts have been exhausted or when deliberate thwarting of the tax laws has been detected, the Department of Justice is called upon through court action to enforce the revenue laws enacted by the Congress.

The Secretary of the Treasury in his testimony supporting the request for funds for fiscal 1963,[15] stated that the program for that year was the third step in the expansion program of the Revenue Service. He described the program as a "long-range improvement plan to deal with the increased workload resulting from growth of the country's population and economy and to raise the level of enforcement and increase public compliance with the tax laws." He pointed out that the goals were to facilitate and increase voluntary compliance, raise tax receipts and provide a more equitable distribution of the tax burden.

During the same hearings the Commissioner of Internal Revenue traced the tremendous growth of the tax system, particularly over the past 3 years (pp. 365–366), advised of a 52-percent increase in audits (pp. 370–371), stated that 3 million delinquent accounts were added each year in the past 3 years (pp. 371–372), reported that over a million people fail each year to file and are caught (p. 372), and that fraud investigations have increased 23 percent in the past 3 years and will go up to 15,800 in fiscal 1963, an increase of 4,000 in 1 year (p. 355). The Commissioner also advised the Congress that all 10 ADP centers will be in some phase of operation in 1964 and in full operation by 1968 (p. 376).

More audits and delinquent accounts lead to more civil controversies; and more fraud investigations create more criminal tax cases. The stepped-up program of the Revenue Service coupled with the effects of ADP will have a strong impact upon the volume of work and the program of the Tax Division. Such a situation calls for an increase in staff and a continuing reappraisal and improvement of operations to insure utilization of personnel in directions calculated to obtain maximum efficiency and results.

(*c*) *Federal Immunity Problems:* In the justification for the current year's appropriation (pp. 13–21) mention was made of the progressively more active field of law involving attempts of local and State governments to tax instrumentalities of the Federal Government. It was also stated that difficulties in this area were multiplying as defense and other Government spending increased. In the past year one important case reached the Supreme Court (see the first case reported in fn. 7, supra), another involving $16 million in local taxes in 1 year was concluded successfully in the supreme court of Texas,[16] and overall the number of controversies rose by better than 10 percent. This field of law will continue to make heavy demands upon the staff of the Division as the activities of

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[15] Hearings, subcommittee, House Appropriations Committee, fiscal 1963, pp. 529, 533.

[16] *General Dynamics* (344 S.W. 2d 489). Examples of other cases in this area of law are: *Olin Mathieson* (N.D. Ill.) (every purchase in State of Illinois by a Government contractor is involved); *Chrysler* (E.D. La.) (over $1,000,000 in tax on the assembly of tanks); and *A.E.C.* cases (N. Mex. and E.D. Tenn.) (over $2,000,000 in tax on all purchases by subcontractors).

the Federal Government expand and as the needs of local governments for sources of revenue increase.

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

The Director of the Administrative Office of the United States Court in his annual report for fiscal 1962, reports another rise in bankruptcies and predicts a continued rise over the next few years. The recent trend is revealed by the following figures:

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

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

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 1963 and 1964 the staff of the Tax Division will be required to handle a record volume of work (over 13,400 cases in 1963 and over 14,000 cases in 1964). Each attorney should handle no more than 30 to 32 pending cases at any one time and no more than 70 cases in 1 fiscal year. The expanded enforcement program of the Revenue Service, the advent of ADP, which should flush a large number of failures to file and a considerable number of possible evasion cases, the enlarged activities of the Federal Government generally, and the increase in insolvencies will create many hundreds of additional tax controversies in the courts. It has been estimated that receipts will increase 5 percent in each of the fiscal years (a little over 800 cases) and if the manageable caseload is to be maintained an additional 25 attorneys will be required in 1964.

C. Details of request

1. *Personal services.*—Funds are requested to cover the compensation and the cost of personal benefits of 30 additional employees. The total allotment recommended for the budget year will provide for the following 411 net positions:

	Base 1963	Attorneys requested additions	Total	Base 1963	Non-legal requested additions	Total	Grand total
Executive	8	0	8	70	2	72	80
Appellate	50	5	55	24	1	25	80
General litigation	36	8	44	19	1	20	64
Criminal	25	2	27	12	0	12	39
Court of Claims	21	0	21	8	0	8	29
Refund trial No. 1	24	3	27	10	0	10	37
Refund trial No. 2	24	3	27	11	1	12	39
Refund trial No. 3	11	2	13	5	0	5	18
Review	16	1	17	8	0	8	25
Total	215	24	239	167	5	172	411

(*a*) Executive: Two additional nonlegal employees in grade GS–4 are requested to perform litigation control and docket duties in connection with the increased workload. The 8 legal and 65 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 73 positions.

(*b*) Criminal Section: Two additional attorneys will bring the staff of the section to 27 attorneys and 11 nonlegal personnel. The increased activities of the Tax Division in the organized crime program coupled with the expected upsurge of regular criminal tax cases in 1964 make it necessary to augment the legal staff with two experienced criminal trial lawyers.

(*c*) General litigation: Eight additional attorneys and one stenographer are requested to meet the increase in civil litigation involving bankruptcy, receivership and other insolvency proceedings, summons enforcement and injunction cases, regular collection suits against delinquent taxpayers and Federal immunity matters. There was a substantial increase in work of this type in fiscal 1962. Regular collection suits rose 22 percent, insolvency proceedings were up 45 percent and lien foreclosure actions jumped 20 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: Eight additional attorneys and one stenographer are requested for the three refund trial sections handling district court cases. No additions are requested for the Court of Claims Section. Refund suits in the district courts increased 8 percent in fiscal 1962, and will increase at least 5 percent in each of the fiscal years 1963 and 1964. 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 staff requested 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: Five additional attorneys and one stenographer are needed to handle the increase in appellate matters. Proceedings in the appellate courts jumped 22 percent in fiscal 1962, while the margin of success (74 percent) was the highest in 20 years. 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: One additional attorney is requested for the Review Section. Approximately 1,500 offers in compromise were processed by this section in 1962, an increase of 9 percent over the previous year. As previously indicated (section 7, supra) 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 increased by one additional position.

2. Other expenses: While costs of operation other than personal services amounts to only 20 percent of the allotment, such expenses are on the rise for a variety of reasons. On top of the statutory and price increases (e.g. per diem rates up 33⅓ percent airline fares up 10 percent), are the costs of processing a greater number of cases.

Travel expense for fiscal 1962 was underestimated not only because of the per diem increase, but because of the 14 percent increase in caseload (5 percent was predicted) and the failure to take into consideration the increased activity in racketeer and other enforcement areas. There were 200 more pretrials and 100 more trials and arguments in 1962 and court activity will increase in the next 2 years. Almost 800 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 these programs and meet all court deadlines, a substantial increase in travel is a necessity.

Even tighter control over operating expenses will be exercised in the coming years. Travel is coordinated between sections, trips are consolidated, the use of coach and tourists accommodations are insisted upon, the use of private automobile is limited (thus saving time and per diem), 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 (70 refinished desks were obtained for new attorneys authorized in 1962). And, in other area (e.g. purchase and use of supplies duplicating services, etc.) close control is exercised to assure maximum economy of operation.

D. Conclusion

Tax litigation has skyrocketed in recent years and every criteria points to greater heights in the 1963 and 1964 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 increased as requested herein.

Workload

	Actual			Estimated	
	1960	1961	1962	1963	1964
Cases or matters—					
Pending beginning of year	4,261	4,416	4,704	5,212	5,598
Received	6,469	6,885	7,881	8,275	8,689
Terminated	6,314	6,597	7,373	7,889	8,441
Pending end of year	4,416	4,704	5,212	5,598	5,846

REQUESTED INCREASES

Mr. ROONEY. It should be noted that the requested increases are set forth at page 12–3 and 12–4 of the justifications book. Allowance of the requested increase would, as was referred to a while ago, entail the addition of 30 additional people to the payroll; to wit, 25 lawyers and 5 clerks.

Mr. ROONEY. Mr. Attorney General, while awaiting you, we have been wondering about this requested increase in such a substantial amount. It is almost three-quarters of a million dollars and the addition of 30 people to the payroll.

Will you please address yourself to it?

Mr. OBERDORFER. Mr. Chairman, this increase has two major elements. One is the request for an additional 25 attorneys and 5 clerical personnel and the other major element is a request for an additional amount to cover travel. One element of the travel request is an amount of $35,000, reflecting the increased per diem rates which were not provided for in our previous requests or in our previous budgets. Also if you please, Mr. Chairman, our experience over the past 2 years shows that we have underestimated our travel needs in the past and request an amount of $64,500 to reflect our increased travel requirements, as demonstrated by experience.

As far as the additional personnel are concerned, the basic fact of our life is that although our production has increased in a very satisfactory way, the inflow of new work has increased much more rapidly than we anticipated. I think our lawyers have been working hard and they have been working efficiently and you will observe in our

justification that in many areas we have done more briefs and have conducted more trials and more pretrials and closed more cases than any time in the past. Our budget requests for the past have assumed an increase in new work at the rate of 5 percent a year. Our closings have gone up 12 percent in the past year. But our new work went up 14 percent. So we ask this increase in personnel to help us to cope with and head off an emergency backlog situation that isn't upon us yet but if it gets past a saturation point could begin to impair our efficiency and cause embarrassment and loss to the Government.

INTEREST PAID OUT ON JUDGMENTS

Mr. ROONEY. You might tell us about what it cost the taxpayer in interest on tax cases in the past fiscal year.

Mr. OBERDORFER. As I recall the figure it is $1,900,000 on account of interest. As shown on page 15 of our justification, our interest paid out on judgments was $1,936,296. This compares with $3,388,520 paid out on account of judgments in fiscal year 1961 and $2,026,218 paid out on account of judgments in fiscal year 1960.

A factor in the interest cost is the time it takes us to dispose of cases, and we are pleased to point out that in this last fiscal year we reduced the average time for turning around cases to the shortest period in the history of the Tax Division. It averaged 1 year 3 months. This does not reflect itself directly in interest because it may have taken us longer than the average, substantially longer than the average to dispose of a case involving a great deal of money whereas a less important case, a case involving less money might be the one that is disposed of rapidly.

Mr. Chairman, you may recall that in the hearing on our 1962 budget you asked very pointedly whether as of that time when we were not asking an additional increase in personnel whether we would be able to keep up with our work.

Our reply at that time was that we were just sort of shaking down with a new organizational structure and with additional personnel and that we wanted to live with that situation for a year and see how tight we could run the operation and what the workload actually developed into and then proceed to reevaluate it. We have reevaluated it and we believe that the personnel increase is justified by our need.

Mr. ROONEY. To revert to this matter of cost of interest paid out; to wit, $1.9 million, at page 15 that you referred to a while ago, it would appear that $1,513,000 of it is due to the time for consideration at the administrative level. Do you mean the cases that do not go to court and that are not in litigation?

Mr. OBERDORFER. My impression is this is the period in the Internal Revenue Service before an action is filed in court.

Mr. ROONEY. So that the $422,000 would be the amount of interest attributable to your not being able to handle the cases more expeditiously? Is that correct?

Mr. OBERDORFER. I do not think our problem is speed of handling. Maybe it is. It is just getting around to making sure that we just do not have more work than we can handle. But the answer to your question, sir, is "Yes." That is what that reflects.

Mr. ROONEY. It would not be good judgment, would it, to increase your budget $767,000 when the amount of interest—if we were to take that as the sole basis of it—is just $422,000 of it.

Mr. OBERDORFER. If that were the sole basis, of course.

Mr. ROONEY. What other basis do you have?

Mr. OBERDORFER. We have collected during the last fiscal year a total of $16.2 million from delinquent taxpayers. We calculate that we have saved in defense of refund cases $62.3 million; that in addition we have collected in fines during this year $2 million some odd thousand.

One factor that we had not considered heretofore, Mr. Chairman, in appraising the value of our work is the savings that result from our winning cases in courts of appeal on reviews from the Tax Court. We had not previously brought this amount to the Committee's attention in any formal way. We calculated in 1962 that we sustained decisions of the appellate courts which saved the Treasury $25.4 million. If I may add to this, what the Tax Division does in court affects not just the precise cash amounts that can be shown in this kind of a presentation, but how cases come out in court determine how the Treasury itself disposes of matters administratively, how taxpayers prepare returns, plan transactions and themselves behave in administrative controversies. In a sense the amount totaling $123 million saved in 1962 is just the top of the iceberg. Underneath it all is the effect on the whole revenue collection process of our winning cases, of our persuading courts of the correctness of the Treasury's positions and of our being a fleet in being, so to speak, to keep taxpayers aware that we are able to join issue with them in controversies.

AMOUNTS PAID OUT IN REFUNDS

Mr. ROONEY. Do you have the figure on the amount of money the Government paid out in tax refunds for fiscal year 1962?

Mr. OBERDORFER. Yes, sir. We have that. We paid out in fiscal year 1962 by judgment and in refunds $20 million, which compares with $32.4 million paid out in fiscal year 1961 and ——

Mr. ROONEY. Repeat those figures, please?

Mr. OBERDORFER. We paid out in 1962, $20.5 million.

Mr. ROONEY. That was less than the year before?

Mr. OBERDORFER. In the year before we paid out $32.4 million.

Mr. ROONEY. Last year you told us——

CORRECTION OF ERROR IN PREVIOUS YEAR TESTIMONY

Mr. OBERDORFER. It has been pointed out to me that I owe the committee an explanation of our statement last year.

In answer to two questions from the committee last year I stated that the Division collected $11.7 million from delinquent taxpayers in 1961 and that the Government paid $22.7 million to taxpayers in refund suits in 1961. After that testimony we went back and reviewed those figures. We find we were in error as a result of mistakes made in the mechanical—this is a good example of problems about automatic data processing; in our IBM installation there had been a miscalculation and I would like to take this opportunity to correct the 1961 record. In 1961, fiscal year 1961——

Mr. ROONEY. You mean the 1962 record?

Mr. OBERDORFER. The record made in 1962 with respect to fiscal year 1961, the Division obtained judgments in collection suits against delinquent taxpayers in the amount of $13.9 million instead of the $11.7 million that we showed, and $32 million was disbursed to taxpayers in refund suits rather than the $22.7 million that we showed in that hearing.

Mr. ROONEY. And now your 1962 figure in refunds is $20 million plus?

Mr. OBERDORFER. $20.5 million was paid out in the last year and the collections were $16.9.

I might add, sir, parenthetically that we have as a result of this error gone to great lengths to revise and to perfect our system for accounting.

We now have an attorney who is a CPA in charge of our litigation control unit. We have a different and I think much improved system for reports by individual attorneys of their actions, including the results of their cases. We believe that apart from being better able to inform the committee and ourselves, it gives us a control over our work that we have not enjoyed previously.

ESTIMATE OF NUMBER OF BANKRUPTCIES

Mr. ROONEY. I note at page 12–26 of these justifications that you say:

> The Director of the Administrative Office of the U.S. Courts in his annual report for fiscal year 1962 reports another rise in bankruptcies and predicts a continued rise over the next few years.

We had testimony here the day before yesterday to the contrary. Are you aware of that?

Mr. OBERDORFER. I am not aware of the testimony of the last few days and these are the only figures I have consulted.

Mr. ROONEY. Mr. Bow cannot say they are the highest in the history of the country.

Mr. BOW. I still say they are. We are not through there yet.

Mr. OBERDORFER. This is one very small factor in the total effect of transactions on our work.

Mr. TADLOCK. I spoke with the head of bankruptcy in the summer. He said at that time this was an estimate. He was going to revise it. We never got a revised figure. I think it will be revised.

Mr. BOW. They are leveling off now at the highest point in the history of the Republic.

BASIS FOR TRAVEL REQUEST

Mr. ROONEY. It appears you are requesting $116,000 additional in this budget for travel and that you would attribute $16,000 of that to the additional employees.

Mr. OBERDORFER. That is correct.

Mr. ROONEY. You want those employees added to the payroll; $100,000 of it is for increased travel requirements due to higher per diem rates not provided for in 1963 and more travel required in connection with stepped-up tax enforcement and that the amount for the latter purpose as requested is $64,500.

How did you arrive at that figure?

Mr. OBERDORFER. This is based on experience. We find that in this fiscal year and in the previous fiscal year our travel expense has been running that much more than what we had anticipated. We have looked very hard at it to make sure we are not wasting money and are not being inefficient about it. We are very careful to make everybody ride tourist on the planes and trains. We are very careful to limit the people who use their cars to travel to those who are hauling a lot of material or a lot of people.

We have been working harder than we perhaps had anticipated and we are using our attorneys where there are very critical and important cases, important criminal trials, important and complicated equity and receivership proceedings. This figure is not any mathematical calculation except an extension of our experience.

INCREASE IN TAXPAYERS' RECOVERIES

Mr. ROONEY. At page 12–13 of these justifications it would appear with regard to taxpayers' recoveries in 1950 that the percentage of success on the part of the taxpayer was 52 percent as compared with 12 percent in the past fiscal year.

How do you account for this?

Mr. OBERDORFER. I am not in a position to know what the difference in the actions of the Division in 1950 and 1955 were compared to what they are now. Now, I think our people go to trial very well prepared. There was a time when the Tax Division attorneys, particularly defending refund suits, were by necessity because of their heavy workload, because there was not the system I think we are developing for dockets in different parts of the country, the lawyers were required to pick up a file one night and try the case the next day.

We have emphasized pretrial discoveries, taking taxpayers' depositions, depositions of taxpayers' witnesses. We have developed this docket system. Instead of having 30 cases in Philadelphia on 30 different trial dates through the year, in Philadelphia they now have a tax docket and the 30 cases are pretried and then tried seriatim over the period of 2 weeks and the lawyers can concentrate in advance on what cases they are going to try.

They have had an opportunity to review them with the Review Section so that they know whether the case can be settled and on what basis. I think in the past few years the Tax Division has been more professional and more effective and that these figures reflect that.

I do not mean that just during my tenure. I mean in the past few years. This is work done by my predecessors as well as myself.

One other thing, going back to our workload: We have before you now a sheet developed from our first 6 months of this fiscal year, 1963, comparing cases received, cases closed, and some production figures for similar periods in 1962, 1961, and 1960. It shows new work has increased 35 percent.

Mr. ROONEY. Do you want to put this in the record?

Mr. OBERDORFER. I would like to offer this for your use in the records.

WORK RECEIVED AND CLOSED AND WORK PRODUCTION

Mr. ROONEY. We shall insert your statement with regard to work received and closed and work production, first 6 months of each year of the fiscal years 1960, 1961, 1962, and 1963.

(The document follows:)

Work received and closed and work production, 1st 6 months, each fiscal year

	1963	1962	1961	1960
New cases received	5,015	3,726	3,089	2,968
Cases closed	3,890	1,361	2,474	2,285
Litigation activity:				
Depositions	628	378	250	(1)
Pretrials	617	357	307	118
Trials and arguments	691	611	582	445
Briefs written	786	750	606	481
Legal memorandums	1,675	1,353	1,400	1,055

[1] Not available.

DISPARITY IN COMPARATIVE NUMBER OF CASES CLOSED

Mr. ROONEY. I should like to inquire as to what happened in 1962, the year just passed. You only closed 1,361 cases as compared with 2,474 the year before.

Mr. OBERDORFER. That was in the first 6 months of that year, Mr. Chairman. What happened was that we had found that there was a practice on receipt of lien cases, after having processed them in our office and having reviewed them, when they were forwarded to the U.S. attorney, the action of forwarding the case to the U.S. attorney was considered statistically a closing of the case.

We felt that we were not keeping as well advised as we should be about the disposition of those cases in the hands of the U.S. attorneys; that the closing of the cases put them out of mind and we wanted, or we recognized that there were some U.S. attorneys whose offices were handling lien cases expeditiously and well and others were not.

For the first few months of 1962 we deferred the closing of lien cases until we had a report back from each U.S. attorney in each case that he had disposed of it. Toward the end of fiscal year 1962 we reviewed the matter again. We satisfied ourselves that we could maintain control without deferring the closing of the case in our office. The majority of the cases in our office we would be through with. There would remain some cases and in some offices many cases which we would want to follow very carefully and closely. Before the end of 1962 we resumed the prior practice of closing, generally closing these cases when we forwarded them out, so that our yearend figures on closing, as distinguished from our 6-month figures eliminated the disparity that the chairman referred to.

Mr. ROONEY. What are the yearend figures? Are those the figures shown at page 12–31?

Mr. OBERDORFER. Those are the figures, Mr. Chairman.

Mr. ROONEY. So it would appear in 1962, the total fiscal year, you disposed of or you closed 7,373 cases as compared with 6,597 the year before?

Mr. OBERDORFER. That is correct. If I may interpolate there, we received in that year, in 1962, 6,881 cases so that our 12-percent increase in closings did not quite bail out the boat.

COMPARATIVE PERCENTAGE INCREASE IN LAWYER AND WORKLOADS

Mr. ROONEY. It would appear, Mr. Assistant Attorney General, that you are requesting an increase moneywise to the extent of 14 percent. Rather, you are increasing the number of your lawyers 14 percent as compared with an increase in caseload of but 7 percent.

Is there any explanation of that, if that is the fact?

Mr. OBERDORFER. I would first just like to check the fact on that, Mr. Chairman. Our caseload went up a thousand.

Mr. ROONEY. The comparison we are making is between increase in lawyers and increase in number of cases terminated, as shown at page 12–31 of the justifications.

Mr. OBERDORFER. If I may be permitted, Mr. Chairman, the increase in—do you refer to the difference between 7,889 estimated for 1963——

Mr. ROONEY. And 8,441.

Mr. OBERDORFER. There are two answers to that, although I have not looked at these figures from that perspective. We expected that, you will recall last year, we inquired whether we should have an increase in staff to reflect the increase in work from fiscal year 1962 to 1963 and we deferred any request for any staff increase last year so that the percentage would seem to us to be the difference between 7,300 and 8,400, the relevant comparison.

Mr. ROONEY. No. You proposed to do 7,889 in the current year with your present staff, without these 30 additions, so the comparison should be between that figure and your estimated 1964 figure.

Mr. OBERDORFER. I think in the last budget we took our estimate of 7 percent. That was based on an increase over the actual experience in 1961.

Mr. ROONEY. We are not taking your percentage. We are taking the difference between 7,889 and 8,441 which is 7 percent.

Mr. OBERDORFER. It is 7 percent, but the 7,889, Mr. Chairman, is substantially more than we had estimated when we budgeted for 1963.

Mr. ROONEY. Are you saying that these figures that you are submitting to us today are not correct?

Mr. OBERDORFER. They are correct.

Mr. ROONEY. Since we assume they are correct, we find by mathematical calculation that the difference between your figure for 1963 and your figure for 1964 is an increase of 7 percent.

Mr. OBERDORFER. Between 1963 and 1964. I am trying to explain that the figure—our staff today, to which we want to add 25 lawyers was developed and we requested this staff on the assumption that our cases terminated—at that time we estimated that the cases we would terminate in 1963 would be substantially less than 7,800. If our figures are correct or not correct it is only because we underestimated in our previous budget applications the increase in the workload.

Mr. ROONEY. These 25 additional lawyers and 5 clerks you want to put on the payroll, are these all experienced people?

Mr. OBERDORFER. The request is for a majority of them——

Mr. ROONEY. Why do you not say yes or no?

Mr. OBERDORFER. Yes.

Mr. ROONEY. They are?

Mr. OBERDORFER. We have asked for GS–11's, 12's.

Mr. ROONEY. Are they experienced in the work of the Tax Division?

Mr. OBERDORFER. No, sir. An inexperienced lawyer to me is a lawyer who has come right out of law school and does not have any experience at all. They will not be experienced in the work of the Tax Division.

Mr. ROONEY. Isn't the average lawyer who has been in general practice who comes to the Tax Division of the Department of Justice inexperienced in the work of the Tax Division?

Mr. OBERDORFER. Yes, sir.

Mr. ROONEY. So when you put these 25 additional lawyers and 5 clerks on the payroll you will have inexperienced people?

Mr. OBERDORFER. That is right.

Mr. ROONEY. Would they produce a hundred percent as compared with the present staff?

Mr. OBERDORFER. They would not, Mr. Chairman.

Mr. ROONEY. Might this be the answer to this?

Mr. OBERDORFER. I had not focused on this point and that certainly is a very good explanation of what the problem is. This is further proof that experience is a valuable thing.

Mr. ROONEY. Mr. Bow?

INCREASE IN NUMBER OF LAWYERS OVER 10 YEARS

Mr. BOW. How many lawyers have you had in the Tax Division over the period of the last 5 years?

Mr. OBERDORFER. The number has increased. When we first came it was 147, although there were 160 some odd authorized.

The next year it went up to—let me get those figures for you, if you will indulge me for a moment.

Mr. BOW. Take the last 5 years.

Mr. ANDRETTA. The Attorney General mentioned 10 years.

Mr. BOW. All right.

Mr. ANDRETTA. It is in his statement.

Mr. OBERDORFER. The Tax Division went from 89 to 195 in the last 10 years.

Mr. BOW. Thank you. That is all.

You are now asking for 25 more?

Mr. ANDRETTA. Yes.

Mr. ROONEY. Mr. Lipscomb?

NUMBER OF ATTORNEYS ON STAFF

Mr. LIPSCOMB. How many attorneys do you have on your staff now in the Tax Division?

Mr. OBERDORFER. At work today?

Mr. LIPSCOMB. How many are you authorized?

Mr. OBERDORFER. Authorized, 215.

Mr. LIPSCOMB. How many do you have on your staff?

Mr. OBERDORFER. Our strength is down at the moment. We have 193 at work today and we have offers outstanding and in process to bring it up to strength.

(The following information was submitted later:)

Upon further inquiry, I find that on January 30 there were 200 attorneys and 5 law clerks on duty. Thus, there were 10 vacancies at that time instead of 22 as indicated above.

VACANCIES

Mr. LIPSCOMB. What is your average number of attorney positions that are unfilled during any year? You have vacancies now of 22 at the present time.

Mr. OBERDORFER. That is a very high figure at the present time. I do not believe it has averaged that high. I can remember when it was down to six or eight.

We can supply those figures if you would like.

Mr. TADLOCK. We generally keep them up to strength. They are almost always up to strength. There is a reason why they are not up to strength now.

Mr. LIPSCOMB. What is that reason?

Mr. OBERDORFER. At the present time we are having our difficulties with this increased travel experience that we have had.

We have had to hold back on filling vacancies as a result of the necessity to wait until we have what our experience shows to be our needs in travel money.

Mr. LIPSCOMB. What is your average turnover in attorneys?

Mr. OBERDORFER. We have been averaging 2 percent a month. I saw a figure of 24 percent for the last fiscal year. We do hope that we are on the verge of a breakthrough on that. We now have about a hundred attorneys on the staff who have given us a 4-year commitment within the last 2 years so that we hope that the turnover is going to drop very materially from now on.

Mr. LIPSCOMB. Do you have attorneys in GS–9, 11, 12, and 13?

Mr. OBERDORFER. We have attorneys all the way up.

Mr. LIPSCOMB. These are in the lower cases. They go 14, 15, 16, and then special positions.

Mr. OBERDORFER. Yes.

Mr. LIPSCOMB. You are asking for an increase of 25. These are GS–11, 12's, and 13's.

Mr. OBERDORFER. That is right.

Mr. LIPSCOMB. You are not asking for attorneys in GS–9 or do you have that grade?

Mr. OBERDORFER. I do not believe we asked for an increase in those categories at this time.

Mr. ANDRETTA. They improve every year under the honor program.

Mr. OBERDORFER. We have 10 offers outstanding right now to people who are coming on duty at GS–9, as soon as they graduate from law school under our honor program. We have 41 GS–9's on duty now. Not all of them are lawyers.

Mr. LIPSCOMB. How many months have you had 22 vacancies existing?

Mr. TADLOCK. It just developed.

Mr. OBERDORFER. I do not think it has been—I did not think it was that high until we began preparation for this meeting. I do not think it has existed very long. I do not know the answer to that.

Mr. LIPSCOMB. At this moment you do not know how many vacancies is your average over a period of a year?

Mr. OBERDORFER. I do not have it in my head; no, sir.

Mr. ANDRETTA. I have the average number of employees from the standpoint of funds.

Mr. LIPSCOMB. It is pretty hard to work from funds.

Mr. ANDRETTA. But your funds permit the average employment of a certain number of positions.

Mr. LIPSCOMB. When you figure your workload against what your request is, it is easier to work with positions.

Mr. OBERDORFER. We can develop those figures. We will be very happy to do this.

I want to know this myself.

Mr. LIPSCOMB. My question pertains to the fact that your workload has increased. You are doing more and yet you have positions unfilled at the present time and you are asking now for 25 additions.

Mr. OBERDORFER. That is right.

Mr. LIPSCOMB. It does not quite add up to the necessity for an additional 25, the way I see it at the moment.

Mr. OBERDORFER. The answer to that is simply that as of the moment we are in a position where we are trying to get the work done by the people we have, recognizing that there is more to be done than we can do and that extending this into the future, these personnel will be needed.

NUMBER OF ADDITIONAL ATTORNEYS REQUESTED

Mr. LIPSCOMB. One further question: On justification sheet 12–27 it gives the details of the request and indicates attorneys requested, additions, only 24. Where is the additional one? It was my understanding the request was 25.

Mr. ANDRETTA. Yes. The 24 is average employment. There is a lapse of 2 months in here on the money part of it. In other words, we do not expect that the 25 positions will be filled July 1, the beginning of the fiscal year, so when you ask for 25 positions you figure the money on a lapse basis.

Mr. TADLOCK. The statement above that says 411 net positions, so that the 24 is net. There is one lapse position.

Mr. OBERDORFER. I did mention that we do have offers outstanding to fill these existing vacancies and are hopeful we will be able to do this.

EDUCATIONAL REQUIREMENTS FOR GS–11 ATTORNEY

Mr. LIPSCOMB. What are the requirements or job position specifications for a GS–11 attorney, educationwise?

Mr. OBERDORFER. He has to graduate from law school, be admitted to the bar, and have 1 year's experience in practice or in our office. That is the general requirement.

This is the question the chairman asked. Experience must be in the practice of the law.

Mr. LIPSCOMB. One year's experience.

Mr. ROONEY. If you hire a lawyer in your own law office it takes time for him to find out how you do your business.

Mr. OBERDORFEER. I do not want to disagree with you.

Mr. ROONEY. You do not want to change your mind, though.

Mr. OBERDORFER. No.

Mr. LIPSCOMB. I can see in the Tax Division where you need experienced attorneys and if you are going to cope with this workload problem and then keep hiring attorneys at a starting wage of just a little over $8,000, your turnover is high and it causes a problem.

Mr. OBERDORFER. It does. We are hopeful that the 4-year commitment arrangement will improve the experience level in our office. Until recently the average stay of a young attorney out of law school was 2 years.

FOUR-YEAR COMMITMENT

Mr. ROONEY. Let me ask at this point, with regard to this 4-year commitment, is it done in writing?

Mr. OBERDORFER. No, sir.

Mr. ROONEY. It's strictly a moral obligation?

Mr. OBERDORFER. It is. There is no sanction to it.

Mr. ROONEY. Do you have it violated very often?

Mr. OBERDORFER. It has not been violated.

Mr. ANDRETTA. You mean so far.

Mr. OBERDORFER. Nobody has come to that point. Nobody who has promised to stay—I will explain further—who is under the 4-year commitment has left our office.

Mr. ROONEY. How long ago did you start that?

Mr. OBERDORFER. Nearly 2 years ago, very early in our experience.

Mr. ROONEY. Are we to understand you have a 24-percent turnover?

Mr. OBERDORFER. That is correct, and none of those people, none of the people we hired were among those. The departures have been among those who are not subject to it.

Mr. TADLOCK. It is down to 15 percent now. That is the prediction for next year.

Mr. ROONEY. For total turnover?

Mr. TADLOCK. For attorneys.

Mr. OBERDORFER. If I may develop that further, Mr. Chairman, we tell these people when they are interviewed that we have many people applying for jobs, and we can be selective, as we can. We want people who can indicate to us their present intention to stay with us for 4 years. We say that we understand that if there is some greivous emergency in thier families or in their circumstances that requires them to leave, or if there is some overwhelmingly attractive opportunity, we are not going to enforce the commitment, but that in the normal course, just to leave us to go to private practice, we would consider hat a breach of our understanding, and it is a gentleman's, lawyer-to-lawyer understanding. There is no lifting of Treasury cards and no threat involved at all. We do not mean it that way.

Mr. LIPSCOMB. Thank you, Mr. Chairman.

Mr. ROONEY. Mr. Cederberg?

BASIS OF REQUEST FOR ADDITIONAL ATTORNEYS

Mr. CEDERBERG. Mr. Oberdorfer, your testimony indicates that you have made substantial progress in taking care of these delinquent cases, speeding them up, with the personnel that you have on hand and also if I heard your testimony correctly you said one of the reasons why you felt that it would be in the best interests of your Division

to have 25 additional attorneys would be because looking down the road you see the caseload getting rather high and you want to be ready for it when it comes.

Why wouldn't it be better than adding 25 all at once to add just a few more, if necessary, fill those vacancies and lapses that you have and then based on that experience determine whether or not you need more? This 25 is a rather speculative number if I heard your testimony correctly.

Mr. OBERDORFER. We have, since we prepared this budget request. We have an experience here that shows that what we had anticipated in the way of increase for 1963 at the time we were writing is again not a full picture of what is happening.

Our new cases for the first 6 months of 1963 total 5,000 compared to 3,700 in 1962. Our estimate was an increase in work of 5 percent. This is up substantially—by 35 percent——

Mr. CEDERBERG. An increase of work of 5 percent?

Mr. OBERDORFER. Yes.

Mr. CEDERBERG. And you want between 10 and 15 percent more attorneys to do an increased workload of 5 percent.

Mr. OBERDORFER. We had a colloquy with the chairman last year at this time in which he asked us—he pointed out then that the work had already gone up and that a further increase was portending and did we think that the staff that we had was adequate in the circumstances in view of the increase and we said we would like to wait another year. We have waited that year. We have seen the work increase and the prospect of increase being even more serious and we come here having done last year exactly what the Congress suggested.

Mr. CEDERBERG. On page 12–33, total employment in your Division actual in 1962 was 333.6 and that takes in a lapse deduct of 64.4.

You have dropped that lapse deduct down to 14.1 in your 1963 estimate and your net permanent average number of employees will be 386.9 which is an increase of 50 employees in your Division. It is an increase of 50 employees from 1962 to 1963 actually on the job.

Mr. OBERDORFER. That is correct.

Mr. CEDERBERG. I notice your estimated lapse rate is going up from 1963 to 1964. If you could keep that lapse rate at least down where it was or where you estimate it to be in 1963, you might not need all of these employees.

Mr. OBERDORFER. I am not clear as to the basis for the calculation of the lapse rate here. I know in 1962 it was very late in the year before we were able to start hiring and it took us a while to hire so that that lapse rate is a function of the calendar really.

Mr. CEDERBERG. We are faced with a problem. I am sure you are aware of it. In all of these hearings we listen to requests for increased personnel. If it can be at least slowed down and the experience can be gathered gradually as to the actual number needed and if you are still making progress, it seems to me this is the wise way to do it rather than to just give you 25 employees because you ask for them. I am not convinced you expect to get 25.

Mr. OBERDORFER. We asked for them because we thought we needed them and did very much expect them, Congressman. The two things that occur to me to deal with the question that you put is, first, that we did forbear from any request last year, in spite of an obvious increase around the corner in the workload.

Mr. CEDERBERG. You had an increase last year, a substantial increase. I am talking about total employees in the payroll.

Mr. OBERDORFER. I understand. This was just fleshing out the authorization. That is correct. That is why we deferred.

Mr. CEDERBERG. But people are doing the job or they should not be there.

Mr. OBERDORFER. That is right. That is why we deferred any request last year, even though the increase in staff is not paralleling the increased input of workload because we did want to digest and organize the new people that had been authorized in the previous year.

Mr. CEDERBERG. We do not want to give you indigestion by giving you too many.

Mr. OBERDORFER. I know. That is why we did forbear last year and we now feel we do need this additional strength.

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

FIVE-YEAR COMPARISON OF PERSONNEL

Mr. ROONEY. Would you be so good, Mr. Tadlock, as to take the 5 years, including this request for fiscal year 1964, show the number of people you had in each of those years from the year before and the amount that were added to the payroll as a result of the action of the Congress?

Mr. TADLOCK. Yes, sir.

Mr. ROONEY. That will show there were no people added last year.

Mr. OBERDORFER. That is correct.

(The information follows:)

Comparison of personnel

	1960	1961	1962	1963	1964
Gross positions	285	305	401	401	431
Net positions	270	291	382	382	411

Mr. ROONEY. Are there any further questions? If not, we thank you, Mr. Oberdorfer, and Mr. Tadlock and Mr. Jones.

AFTERNOON SESSION

CRIMINAL DIVISION

WITNESSES

H. J. MILLER, ASSISTANT ATTORNEY GENERAL
W. E. FOLEY, FIRST ASSISTANT

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

The next of the divisions under "Salaries and expenses, general legal activities," is the Criminal Division and the details are to be found under tab 13 of the justification book. The request for the Criminal Division in the coming fiscal year is in the amount of $3,232,000 which would be a requested increase of $332,000 over the amount appropriated for the activities of this Division in the current fiscal year.

We shall at this point insert in the record pages 13–1 through 13–52 of the justifications.

(The pages follow:)

Criminal division

Appropriation, 1963	$2,900,000
Proposed pay act supplemental	111,000
Appropriation, 1963 (adjusted)	3,011,000
Estimate, 1964	3,232,000
Increase	221,000

GENERAL STATEMENT

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 for fiscal year 1963 has been authorized 270 positions, 166 attorneys, and 104 nonlegal employees, organized into five principal sections. These sections, whose duties will be detailed below, are 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.

It is requested that money be appropriated to add 12 nonlegal personnel to the Organized Crime and Racketeering Section. The additional nonlegal personnel are necessary in light of the increased activities of the Section and new legislation. In addition, due to the increased number of grand jury proceedings, trials and appeals conducted by the attorneys of the Division it is requested that an additional $20,000 be appropriated for transcripts of legal proceedings as required.

AMOUNT REQUESTED

The Criminal Division requests an appropriation of $3,232,000 to perform its operations, including the accelerated program in the organized crime field, and to carry out its responsibilities during the fiscal year 1964. This represents a net increase of $221,000 as follows:

Cost of statutory provisions:	
Additional Pay Act cost in 1964 (Public Law 87–793)	$115,900
Within-grade promotions	25,300
2 days regular pay in excess of 52-week base (5 U.S.C. 944c)	20,200
Personnel benefits related to above	10,600
Total	172,000
New positions:	
Salaries (12 positions):	
3 clerks GS–5, at $4,576	13,728
3 clerks GS–4, at $4,118	12,354
6 clerks GS–3, at $3,827	22,962
Total salaries	49,044
deduct lapse (2 months)	8,144
	40,900
Personnel benefits	3,000
Rent (to be transferred to GSA)	12,000
Communications	1,000
Equipment ($617 each)	7,400
Total	64,300

Additional court transcripts	20,000
Deduct nonrecurring 1963 items:	
Rent (to be budgeted for by GSA in 1964)	23,000
Equipment (for personnel in 1963)	12,300
Total	—35,300
Net increase	221,000

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 narcotics. 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 December 31, 1962, the Section had 56 attorneys assigned, of the 65 authorized for fiscal year 1963. 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 or criminal situations. In these assignments Section attorneys analyze reports from all 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 the special investigations have spent 5,076 days in the field, 894 days before grand juries, and 329 days in court. The increased emphasis on the organized crime program and the additional personnel made available by Congress in fiscal year 1962 resulted in a 100-percent increase in days spent in the field and an increase of 50 percent in days before grand juries as compared with fiscal year 1961. Although the struggle against organized crime certainly requires a persistent effort over several years, it is believed that the past year's activities in this field have produced substantial results in terms of convictions and indictments.

Particular effort has been directed by the Section to curtailing illicit gambling activties. Thus on December 21, 1961, Frank J. Andrews, a notorious racketeer of long standing in the Newport, Ky.-Cincinnati, Ohio, area, was indicted with seven of his associates after several weeks of grand jury investigation which had been preceded by an accelerated investigation by the Internal Revenue Service and the Federal Bureau of Investigation. On July 31, 1962, after a 4-week trial by attorneys from the Section, all defendants were convicted of conspiracy to evade and defeat the gambling excise tax and have since received substantial sentences. The results of this case and other investigations and indictments undertaken by the Federal Government in this area have had a marked effect in eliminating illegal gambling activity in an area which was previously well known for such activity. In other gambling cases, in Boston on July 26, 1962, seven defendants were indicted and charged with violations of the wagering tax laws as a result of raids conducted in Chelsea, Mass., earlier in the year. This numbers operation grossed in excess of $2 million a year. A similar case de-

veloped when the gambling casino in the Garibaldi Building at New Kensington, Pa., described as "an impregnable fortress," was raided by the Internal Revenue Service. An indictment was returned on June 27, 1962, charging 16 persons with conspiring to defraud the Government and with willful evasion of excise tax, and is currently awaiting trial.

During the past year several other important gamblers and racketeers have been convicted and indicted and convicted for various Federal offenses. Anthony "Tony Ducks" Coralla, Apalachin attendee and former organizer for Teamsters Local 293, a former assistant U.S. attorney and a New York State Supreme Court judge were convicted on June 16, 1962, of conspiracy to obstruct justice after a lengthy investigation and trial which required the full services of three section attorneys for a period of several months. Frank "Buster" Wortman, Gregory Moore, and Elmer Dowling were convicted in East St. Louis on February 26, 1962, for conspiracy to evade payment of income taxes. Dowling was murdered shortly thereafter and Wortman and Moore were sentenced on July 19, 1962, to 5 years in prison and $10,000 fine. Leo Carlino, important New York figure and associate of the recently deceased Joseph Profaci, was indicted on April 11, 1962, along with his partner Herman Klein and their dressmaking corporation, in 20 counts charging income tax evasion and conspiracy. In January 1963 trial is expected to begin in a case involving several national gambling figures, including Sam DiPiazza, Gilbert Beckley, and the Lassoff brothers, who were indicted on June 27, 1961, on charges of using illegal long-distance telephone hookups to conceal nationwide horserace betting and conspiracy to defraud the Government of taxes and the American Telephone & Telegraph Co. of toll charges. Three section attorneys have been assigned to this case for several months.

Prosecution of gamblers has been greatly aided by the enactment in 1961 of the new antigambling laws, 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. These statutes have already resolted in tremendous activity and as of December 31, 1962, approximately 850 investigations have been referred to the Department for evaluation. To date prosecutions have been authorized in 54 separate investigations. Of this total, indictments have been returned in 34 cases involving 134 defendants, 15 have thus far gone to trial, resulting in convictions in 12 cases involving 37 persons. Because of the importance and novelty of the statutes, the Criminal Division has retained close supervisory control over all prosecutions under these statutes and has provided the U.S. attorneys with detailed assistance by means of prosecutive opinions and draft indictments. Convictions to date under the new statutes include the following:

In West Virginia, Anthony Zambito, a Wheeling bookmaker and layoff man, was convicted on May 8, 1962, along with other gamblers and their runners. Zambito was sentenced to serve 4 years. In North Carolina, two gamblers, Sam Roy Bryant and Ernest Honeycutt, who had run a lucrative sports parlay-tipboard operation for a number of years, were convicted on May 25, 1962, and each was sentenced to serve two and a half years and to fines of $2,500. On July 30, 1962, Thomas F. Kelly, Sr., Thomas F. Kelly, Jr., and George L. Kelly, owners of the Illinois Sport News, and Louis Efkeman, owner of the Louisville Daily Sports News & Kentucky News Co. were fined $5,000 each upon their conviction of shipping gambling materials, "scratch sheets," in interstate commerce. In Muldrow, Okla., after having pleaded guilty on November 18, 1962, to two counts of traveling in interstate commerce to carry on a business enterprise involving gambling, Emery Leon Henderson, operator of the Top Hat Casino, was sentenced to 5 years and a $10,000 fine in each of two counts, his son, George L. Henderson, was sentenced to the custody of the Attorney General under the Youth Correction Act; George McCall Dykes was sentenced to 5 years and $5,000 and placed on a 5-year probation after the completion of incarcerations; G. M. Lovell was sentenced to 1 year and $1,000 fine and probation subsequent to the incarceration; LeRoy West was sentenced to 1 year and $1,000 fine and 5 years' probation subsequent to the incarceration; and the Top Hat, Inc., was fined $10,000 on two counts.

The first action taken by the Department under the civil remedies of 18 U.S.C. 1084(d) for the discontinuance of a wire communication facility was on December 8, 1961, when Western Union, upon being notified, discontinued service to the Sportsman, Norristown, Tenn., and the ticker was removed. The first litigated case under the section began on May 5, 1962. The three Kellys, noted above, prayed for an injunction to prevent discontinuance of telephone

service to the Illinois Sports News & Telephone News Service. On October 23 the court granted the injunction in regard to the Illinois Sports News and appeal is now pending. The court denied the injunction in regard to Telephone News Service and referred the case to a three-judge court due to the constitutional questions involved. The aforementioned telephone service used in conjunction with a "scratch sheet" operation handled over 60,000 calls a day. In addition, four manufacturers of tipboard, punchboard, and similar gambling paraphernalia have submitted written consents to discontinue the manufacturing, printing, sale, or distribution of the paraphernalia.

Intensified investigation into potential violations of the labor statutes was undertaken by section attorneys during the past year. Three statutes are aimed primarily at curbing racketeering influence in labor-management relationships. The Hobbs Act (18 U.S.C. 1951) prohibits extortion affecting interstate commerce and applies to union leaders who use racketeering methods to extort money from employers. A section of the Taft-Hartley Act (29 U.S.C. 186), as amended by the Labor-Management Reporting and Disclosure Act of 1959, prohibits the payment and receipt of bribes from employers to union representatives. The Labor-Management Reporting and Disclosure Act contains other pertinent provisions, particularly section 501(c) prohibiting embezzlement of union funds. In addition, recent amendments to the Welfare and Pension Plans Disclosure Act of 1958 have broadened the responsibility of the Department of Justice as well as the Department of Labor in curtailing abuses in the administration of union pension funds.

Numerous indictments and convictions have been obtained in this area in attempting to eradicate racketeering influence in labor-management relations. Peter H. Olson, former secretary-treasurer of the Bakery & Confectionery Workers International Union, on June 4, 1962, entered a plea of guilty to a charge of embezzling $35,000 in 1960. On May 18, 1962, James R. Hoffa, president of International Brotherhood of Teamsters, and Commercial Carriers, Inc., was indicted on a charge that Hoffa and former Teamster Vice President Owen Brennan, now deceased, received over a million dollars in illegal payments. On December 23, 1962, after an 8-week trial, the judge declared a mistrial when the jury could not agree on a verdict. In accordance with the judge's order, a special grand jury is scheduled for early January in Nashville, Tenn., to investigate allegations of jury tampering previous to and during trial. In Kansas City, Mo., on December 19, Floyd R. Hayes, former secretary-treasurer of Kansas City Local 41 and Missouri-Kansas Joint Council 56; Cecil Bennett, secretary-treasurer, local 41; and Stanley Clevenger, former organizer local 41, were convicted on charges of embezzlement of union funds. Similarly, Ed Hargett, president; John E. Wilson, secretary-treasurer; and Guy E. Alexander, chief trustee of local 71, International Brotherhood of Teamsters, were convicted on October 9, 1962, on a seven-count embezzlement indictment. Each received a 2-year prison sentence with an additional 4 years suspended. Notice of appeal has been filed. In Detroit, on November 19, 1962, Rolland McMaster, secretary-treasurer, Teamster Local 299; and William F. Wolff, Sr., president and owner of Youngstown Cartage Co., were convicted on 32 counts each of violating the Taft-Hartley Act.

In addition to participating actively in these diverse investigations and prosecutions the Organized Crime and Racketeering Section maintains supervisory 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 Disclosures Act, the Welfare and Pension Plan Disclosure Act, the Hobbs Act, and the Gambling Devices Act of 1962. This latter act amends the Slot Machine Act and requires the registration with the Department of all gambling devices which operate on mechanical principles. Prior thereto, registration was required only on slot or crane machines. As a result, registrations to date have increased over tenfold. The attorneys assigned to this work fulfill the U.S. attorneys' requests for information, precedents, policy, procedure, preparation of indictments or informations and drafting of jury instructions. In this way the Organized Crime Section is able to insure uniform standards of procedure and prosecutive policy.

Prior to January 1961 the Organized Crime and Racketeering Section was receiving intelligence information on key racketeers only from the Federal Bureau of Investigation. Today some 25 agencies are contributing information relating to nearly 1,000 prominent figures. As of mid-1962, for example, the Federal

Bureau of Investigation had or was in the process of submitting intelligence reports on 891 individuals, exclusive of reports relating to specific violations by individual potential defendants, and the Internal Revenue Service was reporting on 446 special organized crime figures in addition to the normal reporting of income and wagering tax violations. The data obtained from the several investigative agencies are now being coordinated, correlated and disseminated through an Intelligence Unit specially created for use by Section attorneys and by other interested Government agencies.

The Unit in an average month receives approximately 1,200 reports averaging 10 pages per report, all of which require classification and indexing into 47 basic categories. The Intelligence Unit as of December 31, 1962, had 13 clerical employees and a supervisor assigned, out of 16 authorized for fiscal year 1963. At the present time the Unit staff has been unable to keep pace with the flow of reports. Based on our experience from March 1961 to date each clerical employee can classify, index, and file 20 pages of information per day, or 400 pages per month. Since we are now receiving 12,000 pages of intelligence per month and our present staff is processing 6,000 pages of information per month, an increase of 100 percent in clerical personnel for the Unit is indicated. Because the Intelligence Unit in its formative stages has not been able to function with a full complement of completely trained personnel, we are requesting that only 10 additional clerks be authorized at this time. With the additional personnel requested we will be able to remain reasonably current until sufficient time has passed to permit more meaningful evaluation.

Despite the magnitude of the task it is our estimate that for the forthcoming fiscal year the professional staff now authorized is sufficient to discharge our responsibilities as we see them in the light of the intelligence material now available to us. An increase of two stenographers is of major importance in order to afford one stenographer or typist for each four attorneys. Consequently a net increase of 12 nonlegal personnel for the work of the Section is requested.

Case load: Organized Crime and Racketeering Section

	Actual			Estimated	
	1960	1961	1962	1963	1964
Cases pending beginning of year	33	31	41	103	78
Cases received during year	493	403	526	725	725
Cases terminated during year	495	393	464	750	728
Cases pending end of year	31	41	103	78	75

ADMINISTRATIVE REGULATIONS SECTION

The major workload of the Administrative Regulations 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 great number and variety of other statutes handled by the Section. Among the more important are the Federal Communications Act; the Federal Aviation Act; the Fair Labor Standards Act; the Universal Military Training and Service Act; the many statutes administered by the Interstate Commerce Commission, such as the Motor Carriers Act, Elkins Act, Safety Appliances Act, Hours of Service Act, and Explosives and Dangerous Articles Act; the statutes administered by the Department of Agriculture with criminal sanctions, such as the Agricultural Adjustment Act, Agricultural Marketing Agreement Act, Agricultural Marketing Act of 1946, Meat Inspection Act, Poultry Products Inspection Act, the 28 hour law, Grain Standards Act, and the Animal Quarantine Acts. Cases arising out of many other statutes, such as the shipping, navigation, and pollution laws, the fish and wildlife conservation laws, the Connally "Hot Oil" Act, the Defense Production Act, and the Gold Reserve Act are also included in the Section's assignment. As of December 31, 1962, the Section was authorized and assigned 18 attorneys for the performance of these duties.

The workload in fiscal year 1962 in the immigration and nationality field was extremely heavy. In addition to the thousands of criminal cases which are usually referred directly to the U.S. attorneys by the Immigration and Naturali-

zation Service and the State Department and on which advice and assistance are frequently sought, the Section exercises very close supervision over and participates in practically all of the civil litigation in this field, including petitions in courts of appeals for review of deportation orders; suits for declaratory judgments of U.S. citizenship, which frequently involve questions under the expatriation statutes; habeas corpus proceedings and actions for declaratory and injunctive relief under the immigration laws; suits for the enforcement of immigration bonds and penalties; actions for the revocation of naturalizations illegally procured or procured by fraud; and appeals from judgments on petitions for naturalization. During the past fiscal year, 427 new civil cases were instituted against the Government for the review of orders of deportation and exclusion and related administrative proceedings. In cases pending in the courts during this period, the Section's attorneys were called upon to provide advice and assistance on 1,346 occasions, an increase of 40 percent over fiscal year 1961, when advice and assistance were given 958 times. In addition, 1,839 items of correspondence were prepared as compared to 1,299 items the year before, an increase of 41 percent.

Part of this increased workload was due to the enactment of Public Law 87-301, providing, among other things, for the judicial review of orders of deportation on petitions for review filed in the courts of appeals. This new legislation necessitated the review of hundreds of records and files in cases pending in the district courts when the legislation became effective on October 26, 1961. It also entailed the issuance of detailed instructions to U.S. attorneys as to whether such pending cases were or were not subject to transfer to courts of appeals pursuant to the new law. Close scrutiny was required in new cases filed in the district and appellate courts to determine whether the court properly had jurisdiction.

Although it is anticipated that there may be a drop in the number of new suits filed for review of deportation orders, it is doubted that there will be any drop in workload in this field. The full impact of the new judicial review legislation is only now beginning. During fiscal year 1962, 43 cases were transferred to courts of appeals under the new legislation and 74 new petitions for review were filed thereunder. Such litigation in the courts of appeals will necessitate more detailed briefs and more intensive preparation with a consequent increase in the amount of assistance required of the Section. Various avenues for discretionary relief now open to aliens as a result of recent legislation will also create a fruitful source of litigation which will be felt in the forthcoming years.

The Section's workload was also substantially augmented in the past year by the increasing attention being given to statutes dealing with consumer protection. The Federal Food, Drug, and Cosmetic Act generates the largest number of cases and matters in this field. Such cases and problems include forfeiture actions, injunction suits, suits involving judicial review of administrative suits against the Government, and criminal proceedings. These matters arise out of the misbranding and adulteration of foods, drugs, devices, and cosmetics; the introduction of new drugs or violations of the new drug provisions of the act; violations of the color and food additives provisions of the act; the counterfeiting of drugs; inconspicuous and improper labeling and deceptive packaging; and other problems involving interpretation, litigation, and general enforcement of the act. New legislation and stricter enforcement (made possible by increased appropriations to and enlargement of the staff of the Food and Drug Administration) caused a substantial impact on the Section's activities in fiscal year 1962. It is anticipated that the impact will be even greater in 1963 and 1964. In the 3 preceding years, the number of cases referred to the Department by the Food and Drug Administration varied from 1,381 to 1,408 per year. In fiscal 1962, 1,642 cases were referred, an increase of 18 percent. On July 1, 1961, 462 cases were pending in the courts (174 criminal; 268 civil; and 20 injunction proceedings). Of the 1,642 new cases referred, 1,363 were civil, 22 injunction proceedings, and 257 were criminal cases involving 1,536 violations. There were terminated during the year a total of 1,618 cases, leaving 486 pending on July 1, 1962 (200 criminal; 261 civil; and 25 injunction proceedings). Increased activity on the part of the Federal Trade Commission under the Federal Trade Commission Act (as it relates to foods, drugs, and cosmetics), the Wool Products Labeling Act, the Fur Products Labeling Act, and other such statutes, also leaves an impact on the workload of the Section dealing with consumer protection.

Since the Section is charged with the enforcement of criminal statutes, the violations of which are generally investigated by other departments and agencies

of the Government, the workload is closely related to the activities of such other agencies. Increased activity was apparent in almost every field. For example, increased coverage and protection afforded by the Fair Labor Standards Act (the minimum wage was raised from $1 to $1.15 in September 1961) also led to more activity. In 1962, 107 criminal cases were instituted as compared to 85 in 1961. The raise in minimum wage from $1.15 to $1.25 per hour, which will become effective in September 1963, will undoubtedly result in further violations. Under the Connally "Hot Oil" Act, an average of 10 or 12 cases a year were processed during the last decade. However, at the present time, there are over 200 such cases under investgiation, many of which will probably be referred to the Department in 1963 and 1964. As a result of the reorganization of the Maritime Commission and its increased activity, the number of criminal cases referred in 1962 was substantially greater than in previous years with more cases anticipated in 1963 and 1964. In addition, there were also 236 new complaints processed by the Section (an increase of 15 percent) under the so-called wire tapping statute.

International extradition cases continued to require a substantial number of man-hours. The Section is called upon daily for advice and information by U.S. attorneys, other sections, and enforcement agencies with respect to fugitives who have fled or who may flee to other countries. During the past year, legal assistance was accorded the Government of Mexico in two cases and the Government of Venezuela in two cases. Two notorious narcotics violators and a fugitive guilty of securities frauds were successfully extradited from Canada. A dangerous criminal guilty of aggravated bank robbery was returned from Norway. Other cases of fugitives who have fled to foreign countries are pending.

In addition to providing supervision, assistance, and advice to U.S. attorneys on cases in the courts, the Section has other functions that account for the expending of many man-hours. Among these functions are conferring with and advising the various regulatory agencies on the investigation and preparation of cases which are referred to the Department; answering inquiries of citizens; acting on petitions for remission of forfeitures on behalf of the Attorney General; and, because many of the Section's cases are civil in nature, preparing memoranda for or against in all decisions adverse to the Government. Over 100 petitions for remission of forfeitures were processed and 84 memoranda recommending for or against appeal were prepared.

The unusually heavy workload was handled in fiscal 1962 only by dint of hundreds of hours of overtime work. It also caused an increase in the backlog of other matters which did not require such immediate attention. While the caseload of the Section will be increasing in several areas as detailed above, it is anticipated that the new suits for review of deportation orders will be less. As a result no request for an increase above the present authorized staff is being requested for fiscal year 1964.

Caseload: Administrative Regulations Section

	Actual			Estimated	
	1960	1961	1962	1963	1964
Cases pending beginning of year	45	54	38	44	44
Cases received during year	1,976	1,748	2,278	2,300	2,300
Cases terminated during year	1,967	1,764	2,272	2,300	2,300
Cases pending end of year	54	38	44	44	44

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 memoranda to the Solicitor General recommending for or against appeal or certiorari; drafting of legislation; critical comment regarding legislative proposals having any impact on criminal law enforcement; and 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. For administrative convenience the Section has been divided into two units, one concerned with appellate matters and the other with

legislative liaison and research. The complement of the Section as of December 31, 1962, is 21 attorneys, with 21 the authorized strength for fiscal year 1963.

Work of an appellate nature remained at a relatively high level during the fiscal year 1962. In all, 578 matters were received. As forecast in our estimates last year, 621 cases were handled compared with 628 in fiscal year 1961. Petitions for certiorari filed by opponents, 296, were also slightly less than in the peak year 1961 when 307 such petitions were filed. However, the number of reply briefs, 294, was the largest in the history of the Division. Briefs on the merits totaled 16, which is approximately the average number of such briefs prepared over a 20-year period.

Courts of appeals and miscellaneous briefs which the Section prepared or assisted in preparing totaled 46 compared with 25 last year and the average of 37 for the past 5 years. Likewise, miscellaneous motions and memoranda in the Supreme Court, 52, exceeded the 5-year average of 37.

While it is impossible to foretell the number of cases which will arise during the fiscal year 1964, there is every reason to believe that the present appellate court work load will continue. Indicative of the trend in the work is the number of cases carried over into the fiscal year 1963. Thirty-two cases, including 29 petitions for certiorari filed by opponents in which briefs in reply have not yet been prepared and 3 briefs on the merits, were pending at the close of the fiscal year 1962. This number has been exceeded only twice before in 1959 and 1961 when 41 and 43 cases, respectively, were carried over. During the past 10 years, cases pending at the close of the fiscal year have averaged approximately 28. Twenty-two petitions for certiorari by opponents were filed during the first month of the current fiscal year. The average for the past 5 years has been 20. More petitions are normally filed when the Supreme Court is in session. Furthermore, the recent opinion of the Supreme Court in *Machibroda* v. *United States*, decided February 19, 1962, 368 U.S. 487, may be expected to result in an increased number of claims of coerced pleas of guilty and similar claims by motions under 28 United States Code 2255. In that case the Supreme Court held that the district court erred in not granting a hearing pursuant to a motion under 28 United States Code 2255 to resolve controverted issues of fact arising out of petitioner's specific and detailed factual allegations that his plea of guilty had not been made voluntarily.

A great deal of work is involved in legislative and research activity. Legislative proposals for new laws or amendments to laws administered by the Division must be carefully studied and recommendations prepared for the Legislative Section of the Deputy Attorney General's Office. During the fiscal year 1962, there were 246 recommendations made on legislative proposals submitted to the Division for comment, a record which has been exceeded only once, in 1954, prior to the establishment of the Internal Security and Civil Rights Divisions, when 268 legislative memoranda were prepared. It is impossible to indicate at this time the number of new public laws affecting the work of the Division which will be enacted. It is reasonable to predict, however, that there will be some new laws and that a number of questions will doubtless arise requiring extensive research. Among the special projects conducted by the legislative and research unit was a study of the methods of selection of jurors in all districts and preparation for the White House Conference on Narcotics. The unit also reviews all indictments in cases which are presented to grand juries by Division attorneys and, upon request, drafts or reviews indictments for U.S. attorneys. The review of indictments substantially increased during fiscal year 1962 as a result of the increasing number of indictments returned by the attorneys of the Organized Crime and Racketeering Section.

In addition to the preparation of briefs, memoranda, and comments on legislative proposals, the Section prepared, during the fiscal year 1962, 250 legal memorandums and letters, 997 factual letters, telegrams, and memorandums and 211 U.S. attorney bulletin items relating to the Federal Rules of Criminal Procedure.

Caseload: Appeals and Research Section

	Fiscal year 1960 (1959 term)	Fiscal year 1961 (1960 term)	Fiscal year 1962 (1961 term)	Estimate, fiscal year 1963	Estimate, fiscal year 1964
Cases pending beginning of year	41	33	43	32	27
New cases received [1]	556	595	578	580	585
Cases terminated during year	564	585	589	585	590
Cases pending end of year	33	43	32	27	22

[1] New cases received were as follows:

	Fiscal year 1960		Fiscal year 1961		Fiscal year 1962	
		Numbers		*Numbers*		*Numbers*
Petitions for certiorari filed by opponents	234	257	307	312	296	314
Briefs on merits in Supreme Court	27	29	17	29	8	9
Petitions for certiorari and direct appeals filed by Government	3	3	3	3	0	0
Miscellaneous motions and memorandums in Supreme Court	61	61	40	40	52	52
CA and miscellaneous briefs prepared or assisted in preparing	35	35	25	25	46	46
Memorandums to Solicitor General recommending for or against appeal or certiorari	196	196	203	203	176	176

FRAUD SECTION

The Fraud Section supervises the prosecution by the U.S. attorneys of criminal frauds arising under the mail fraud statute and the securities acts as well as frauds arising from Government procurement and operation, and the various aid and assistance, guarantee and insurance programs such as Federal housing, the many agriculture subsidy and control projects, the Federal aid highway program, Small Business Administration, etc. In addition, the Section supervises the prosecutions of offenses involving embezzlements, misapplications, and false entries occurring 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. As of December 31, 1962, the Section was authorized and assigned 12 attorneys for the performance of these duties.

The protection of the consumer and investor public by vigorous enforcement of the Federal mail fraud statute in the field of commercial fraud and the securities acts administered by the Securities and Exchange Commission is of primary importance and a substantial amount of attorney time and effort is devoted to these complex cases. As a result of an intensified prosecutive program in cooperation with the Post Office Department which investigates mail fraud, there were 676 arrests in fiscal year 1962, a 4-percent increase over the alltime high of 1961. There were 524 defendants convicted. This is a 21-percent increase over 1961 fiscal year. The Post Office Department estimates that these convictions were in cases representing a defrauding of the consuming public of about $83,805,000. The mail fraud program affects the public, both personally and commercially, in many walks of life, and in a number of activities. The cases involve, among other schemes, advance fees for the sale of small businesses, real estate, and obtaining loans; sales of vending machines, franchises, and distributorships; knitting and sewing machine promotions; a variety of work-at-home operations promising victims profitable employment in the home; corresponding school and diploma mills; fraudulent real estate promotions; medical frauds; matrimonial schemes; and savings and loan swindles such as occurred in Maryland.

Typical of these fraud cases, which often consume many months of preparation and weeks of trial, are the following: In Denver, Colo., operators of North American Associates, Inc., an advance fee operation obtained over $2 million from about 5,000 businessmen. Prior to and shortly after the trial commenced in June 1962, the defendants plead to the indictment. Prison sentences totaling 13 years 9 months 1 day and probations totaling 15 years 9 months were imposed on 11 defendants. In Portland, Oreg., a scheme involving fake automobile acci-

dents to collect insurance terminated in a conviction of 15 defendants for mail fraud. They received sentences on February 7, 1962, totaling 31 years' imprisonment. After a 6-week trial in Detroit, Mich., David L. Ratke and Monroe Caine were convicted of mail fraud on July 14, 1961, in the sale of a "turbojet converter," advertised on a nationwide basis with false claims for gasoline savings. They were sentenced to a total of 5 years and fine of $5,000.

In Maryland, as a result of the Federal inquiry into the savings and loan scandal, indictments were returned against 14 individuals associated with 8 building and loan associations. Prosecutions to date resulted in James G. Sorce, promoter of First Capital Savings & Loan Association, being convicted on mail fraud on July 17, 1962, and sentenced to 3 years; Saul Marshall, former secretary of Phoenix Savings & Loan, being found guilty of criminal contempt on July 5, 1961, for failing to produce records and was fined $10,000; John L. Kane, former president of Armed Forces Savings & Loan, pleaded nolo contendere to mail fraud charges on January 12, 1962, and was sentenced to 1 year and $1,000 fine; John T. Moton, former president of Wall Street Savings & Loan, was convicted on January 25, 1962, on mail fraud charges and sentenced to 181 days imprisonment and fined $1,000; and J. Kenneth Edlin pleaded nolo contendere December 8, 1961, to mail fraud charges in connection with the operation of First Colony Savings & Loan and was sentenced to 6 months imprisonment and fined $8,000 and placed on probation for 2 years. Attorneys from the Fraud Section contributed substantial assistance in the development and successful prosecution of these important cases.

A number of "new" mail fraud prosecutive programs are planned in cooperation with the Post Office. Among these are the recurrent land subdivision frauds typified by the blatant homesite advertisements now appearing in all publications. The Fraud Section not only plans and formulates these programs to assure that the investigative and prosecutive efforts are chaneled most effectively, but actively correlates and participates in the development of the individual cases with the U.S. attorneys.

Similarly, the Fraud Section continues to work directly with the Securities & Exchange Commission in the vigorous enforcement of the securities acts to protect the ever increasing public ownership of corporations. These cases involve long investigations and careful preparation for trial. Congressional hearings and investigations by SEC of the American Stock Exchange resulted in the disclosure of widely publicized irregularities. In April 1962, Gerald A. Re and Gerard F. Re, stock specialists on the American Stock Exchange, Lowell M. Birrell, and others were indicted in the southern district of New York for securities laws violations. The activities of the Res led to the investigation of the American Stock Exchange by SEC. It is anticipated that investigations growing out of the inquiry into the various exchanges and resulting from the special inquiry authorized by Congress to be conducted by SEC will substantially increase the number of criminal referrals to this Division. In fiscal year 1962, the SEC has referred 60 cases for criminal prosecution and 4 criminal contempt matters. Seventy defendants were convicted as a result of criminal prosecution and 6 were judged in criminal contempt. These represent the largest number of referrals of these complex and lengthy securities violations for our evaluations and prosecution. It is anticipated that this will be increased in fiscal years 1963 and 1964.

Allegations of fraud and irregularities in the Federal aid highway system continue to increase. The hearings by the Highway Subcommittee of the House Public Works Committee as well as more vigilant policing by the Bureau of Public Roads have uncovered a number of irregularities and it is anticipated that the caseload in this area will increase materially. A major enforcement accomplishment has already resulted in successful prosecutions in Massachusetts, where convictions in *U.S.* v. *Harney, et al.* and *U.S.* v. *Mirkin* have been affirmed by the court of appeals. The courts have thereby upheld charges of conspiracy to defraud the United States by hampering and impeding the Federal aid highway program in Massachusetts by interference with established procedures for negotiation of right-of-way acquisition. In view of the novel legal and procedural aspects of these cases, the Fraud Section has been required to participate in the development and preparation of these cases at every stage. Close cooperation with the Bureau of Public Roads is essential in the formulation of additional legislation and regulations. Additional criminal legislation has been proposed to Congress which will extend the areas of Federal criminal coverage if approved and enacted.

Banking violations involving embezzlement, misapplication violations of the Federal Reserve Acts, and the FDIC statutes present complex evaluation and interpretive problems. The importance of these cases, which affect the public confidence in lending and banking institutions, requires a close and continuous supervision of their development and prosecution.

As a result of the recent disclosures in the Billie Sol Estes case it is anticipated that the Department of Agriculture will refer other possible irregularities, particularly in the storage of Commodity Credit Corporation grain, to the Fraud Section for evaluation and action. The criminal provisions in part proscribe false statements, embezzlement, conversion, and conspiracy. Similarly, congressional inquiry into the procurement and stockpiling activities of the Federal Government will undoubtedly increase the workload of this Division in that vital area.

The total number of new cases received in the Fraud Section during fiscal year 1962 was 537, an increase of 88 new cases over the prior fiscal year. In addition the section received 2,016 new matters of all types as well as 10,231 letters, reports and memorandums. It is estimated that this increasing trend of new cases will continue during the fiscal years 1963 and 1964 particularly in the area of mail frauds, securities violations, Federal highway frauds, agriculture violations, and procurement.

Caseload: Fraud Section

	Actual			Estimated	
	1960	1961	1962	1963	1964
Cases pending beginning of year	13	8	3	3	8
Cases received during year	363	449	537	570	600
Cases terminated during year	368	454	537	565	590
Cases pending end of year	8	3	3	8	18

GENERAL CRIMES SECTION

The General Crimes Section supervises the administration and enforcement of approximately 760 Federal criminal statutes relating to four 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. As of December 31, 1962, the Section was authorized and assigned 20 attorneys for the performance of these duties. Special matters in this field often are rather extensive full-time projects. One of the most conspicuous examples is the assignment from April to December 1962, of four Section attorneys who, in conjunction with two other Division attorneys, have devoted all of their efforts to the analysis of investigations and the presentation to grand juries of cases involving Billie Sol Estes and his associates. The six new criminal statutes enacted during the 1st session of the 87th Congress which are assigned to the General Crimes Section for administrative enforcement have placed added burdens on the personnel.

Integrity in Government

The preservation and protection of the functions of the courts and of the grand jury as an arm of the court are vital. Prosecutions under the obstruction of justice, perjury, contempt, and conspiracy to defraud statutes are supervised by the General Crimes Section. Matters referred for possible violations of the perjury statutes and of contempts committed either before the courts or congressional committees are responsible for a large proportion of the work of the Section in this important field.

Cutting across all branches of the Federal Government are those criminal statutes which relate to the individual conduct of Government employees, prohibiting bribery, graft, and conflicts of interest. Prosecutions designated to insure integrity in the Government service resulted in the indictment in Boston of Henry Grillo, executive assistant to the regional commissioner of the Internal Revenue Service, along with three attorneys, Nathaniel Bergman, Paul A. Gorin, and Saul Glassman, on charges of conspiracy to violate the bribery statute and to defraud the Government. Upon conviction, Glassman and Bergman were sen-

tenced on March 19, 1962, to 3 years' imprisonment and $5,000 fine, Gorin to 2 years' imprisonment and $5,000 fine, and Grillo to 1 year's imprisonment and $1,500 fine. In a similar recent case, Bernard A. Saladow, an agent of the Internal Revenue Service, was sentenced to 3 years' imprisonment on January 2, 1962, on a charge of receiving a $1,000 bribe from a taxpayer. John George Ledes, former legal assistant to SEC Commissioner James C. Sargent, was convicted on February 1, 1962, along with Joseph Abrams and Charles Gordon on a charge of conspiring to deprive the Government of Ledes' faithful service as an employe of the Securities and Exchange Commission. Ledes was sentenced on April 13, 1962, to 1 to 3 years' imprisonment, Abrams, 20 months to 5 years and a fine of $10,000, and Gordon, 1 to 3 years' suspended and 3 years' probation. Awaiting trial is the case of Edward T. McNamara, former ICA official assigned to Thailand, who was indicted on February 1, 1962, together with two construction company officials, on charges of conspiring to defraud the Government of the impartial services of McNamara in connection with the execution of contracts with the Government of Laos as to roads and housing construction. Other important matters of bribery, graft, and conflicts of interest are currently under active grand jury investigation requiring the full-time effort of four Section attorneys.

Protection of interstate and foreign commerce

Crimes related to the protection of interstate and foreign commerce include kidnaping, theft from interstate shipments, destruction of property in interstate shipment, interstate transportation of stolen property, forged or stolen securities, and obscene material.

A significant case involving the interstate transportation of stolen travelers checks resulted in the conviction of three individuals, Sidney Kastner, Kenneth Klein, and Emory Weiss, who received sentences ranging from 5 years to 1 year. As a result of coordination by Section attorneys, 17 defendants, members of a large interstate stolen-car ring operating in Kentucky and Florida, were indicted on March 2, 1962. Cars stolen in Northern States were transported to Georgia and Florida where the title papers to wrecked vehicles previously purchased were transferred to the stolen vehicles. The ring used automobile auction houses in Florida, Georgia, and Kentucky to dispose of the automobiles. At arraignment or during trial in August 1962, 13 of the defendants pleaded guilty, with 4 being acquitted. A similar case in Brooklyn resulted in eight defendants being sentenced to terms ranging from 1 year to 6 years' imprisonment. A case resulting from the violence surrounding the Bowman Transportation Co. strike resulted in the indictment on February 19, 1962, of the president and 19 other members of Local 612 of the International Brotherhood of Teamsters under the recently enacted destruction of interstate cargo statutes and the Hobbs Act.

Safeguarding the postal system

Statutes aimed at safeguarding the postal system, including those proscribing post office robbery, theft from the mails, extortion, and the mailing of obscene material, regularly produce a substantial number of cases for the Section. In particular, the stepped-up investigation program of the postal inspectors aimed at obscenity has resulted in a greatly increased prosecutive burden. Arrests in this type of case in the fiscal year 1962 rose to 605 from 457 the previous year. Convictions have risen dramatically since 1957. In 1957 there were 175 convictions; in 1958, 213; in 1959, 272; in 1960, 306; in 1961, 377; and in 1962, 503. The cooperation between the Department of Justice, the Postal Inspection Service, and State law enforcement agencies will no doubt continue this rise in the offensive against obscenity. The Section regularly receives 175 to 200 letters from the general public each month requiring preparation of replies and of these at least 50 or 60 each month refer to obscenity.

Special maritime and territorial jurisdiction

Offenses allegedly committed in the special maritime and territorial jurisdiction frequently present vexing and time-consuming problems of Federal authority. Constant increase in the acquisitions of new Federal property has brought about a steady rise in these matters. Other areas of constant concern are the statutes proscribing major crimes within the Indian territories, counterfeiting and debasement of the currencies, and the National Firearms Act. A typical jurisdictional problem arose when Frank Long, Jr., arrested on a warrant issued out of the office of the district magistrate of the State of Alaska, was charged with burglary under Alaska law. The offense was committed at Point Barrow.

Alaska, within the boundaries of Naval Petroleum Reserve No. 4. Seeking the issuance of a writ of habeas corpus in the U.S. district court, Long contended that under the Alaska Statehood Act, the naval petroleum reserve had been retained as Federal territory and that Alaska's State courts had no jurisdiction over offenses committed within the boundaries of the Reserve. The General Crimes Section prepared and forwarded to the U.S. attorney at Fairbanks a study of the pertinent section of the Statehood Act to document the contention that it conferred concurrent jurisdiction in both the Federal and State Governments to enforce criminal law within Naval Petroleum Reserve No. 4. The district court denied Long's petition and expressed complete agreement with the position taken.

Public Law 87–197, the so-called Aircraft Piracy Statute, extended Federal jurisdiction to several crimes committed aboard aircraft which are normally enforced locally. These range from assault or intimidation of flight personnel to simple assault, maiming, theft, murder, manslaughter, and rape. Attempts to pirate or hijack an aircraft can result in imposition of a death penalty. The statute also carries penalties for imparting false information concerning attempts to commit crimes aboard aircraft. Many such cases have resulted during the past fiscal year following enactment of this statute. Similarly, the amended statute relating to the perpetration of bomb hoaxes on aircraft, creating two classes of crimes for this offense depending upon proof of willfulness, has resulted in numerous problems of concern to the Section. In nearly all such cases the U.S. attorneys consult the General Crimes Section because of the national interest in stamping out this type of activity and because of the difficulties heretofore encountered in proving the elements of the offense.

It is believed that the present personnel authorized for fiscal year 1963 will be able to cope with the increasing workload as well as achieve adequate coverage of matters under the many statutes assigned to this Section.

Caseload: General Crimes Section

	Actual			Estimated	
	1960	1961	1962	1963	1964
Cases pending beginning of year	10	2	24	3	13
Cases received during year	571	569	608	650	690
Cases terminated during year	579	547	629	640	685
Cases pending end of year	2	24	3	13	18

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 circumstances exist and to handle grand jury presentation and trial of special cases handled by the Criminal Division. As of December 31, 1962, the trial staff had authorized and assigned 11 attorneys for the performance of these duties.

It is impossible to foretell 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 increase rather than diminish. 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 4 months in the case of *United States* v. *Virgil Kanan*, where the 32-count indictment returned on May 25, 1962, against Kanan, Donald R. Elbel and eight others charged in a scheme to defraud the Arizona Savings & Loan Association and its depositors in connection with real estate transactions and loans. Another trial attorney recently completed *United States* v. *Cal Kovens, et al.*, another important savings and loan association case in the southern district of Florida. It is anticipated that the two defendents who were convicted will take an appeal to the fifth circuit, which will have to be handled by the trial staff. Grand jury proceedings in the District of Columbia in two complicated possible conflict of interest and bribery cases have required the continued services of a total of three trial lawyers assigned to the Section. Still another Section attorney was required to

reevaluate and reindict three cases in Miami involving the interstate transportation of counterfeit bonds of the Ohio Turnpike Authority and of Shell Union Oil Corp. These cases which involved extensive FBI investigation were tried in December by two trial staff attorneys and resulted in five convictions and one acquittal.

Since April of 1962, the chief of the trial staff and five other Division attorneys have been engaged in the analysis of investigations and the presentation to grand juries of the cases involving Billie Sol Estes and his associates. As a result, a superseding indictment against Estes was returned on June 21, 1962, charging Estes, Coleman McSpadden, Ruel Alexander, Harold Orr and the Superior Manufacturing Co. with mail fraud, interstate transportation of fraudulent securities and conspiracy. On July 13, 1962, all of the defendants except Estes entered pleas of guilty to the June 21 indictment and were sentenced on September 20. In Dallas, on August 10, 1962, two additional indictments were returned. The first names Estes only and charges him in three counts with making false statements to the Commodity Credit Corporation of the Department of Agriculture. The second indictment in five counts charges Robert Earl Clements with interstate transactions of fraudulent securities. The team of attorneys concerned with the Estes frauds has maintained close liaison with the Department of Agriculture and the subcommittees of the Congress investigating Billie Sol Estes. The trial of these cases undoubtedly will require extensive preparation and the services of the chief of the trial staff and others. In addition, it is possible that other indictments may be forthcoming as a result of the investigations still being conducted in this area.

The indictment on September 14, 1962, of J. C. Stroud and W. V. Stroud, of Henderson, Tex., and on December 5, 1962, of Daryl R. Gaumer, E. B. Hearn, Sr., and E. B. Hearn, Jr., and Associates Drilling Co., Inc., on charges of making false statements to the Federal Petroleum Board and interstate shipment of contraband oil taken from a "slanted" well are the first of a series of cases under the Connally Act. As of December 31, 1962, 205 investigations into deviated wells were underway. Three Criminal Division attorneys have been assigned to assist the U.S. attorney in this area.

Other significant cases recently completed by the trial staff attorneys are *United States* v. *John George Ledes*, which resulted in the conviction of three defendants; *United States* v. *Raymond L. Goodman and Robert L. Strauss*, convicted of charges of bankruptcy and fraud; and *United States* v. *Columbus Rexall Oil Co., et al.*, a Securities and Exchange Act case. In addition to the cases previously mentioned, trial staff attorneys have secured indictments in *United States* v. *Laurence W. Blalock, et al.*, a National Bankruptcy Act case, and *United States* v. *Edward T. McNamara, et al.*, a bribery case of a Government employee.

In projecting the anticipated workload of the trial staff, it is necessary to consider also that our organized crime and racketeering program has resulted in an unusually large number of indictments during fiscal year 1962. This will undoubtedly continue during fiscal year 1963. Requests for assistance in the trial of some of these cases will certainly be made when these indictments are set for trial.

Caseload: Trial staff

	Actual			Estimated	
	1960	1961	1962	1963	1964
Cases pending beginning of year	23	34	34	17	27
Cases received during year	21	13	20	25	35
Cases terminated during year	10	13	37	15	30
Cases pending end of year	34	34	17	27	32

Workload

	Actual			Estimated	
	1960	1961	1962	1963	1964
Cases or matters:					
Pending beginning of year	165	162	183	202	197
Received	3,980	3,777	4,547	4,850	4,935
Terminated	3,983	3,756	4,528	4,855	4,923
Pending end of year	162	183	202	197	209
Average number of attorneys	[1] 99	[1] 112	[1] 137	[1] 160	[1] 160

[1] Includes special attorneys.

Caseload statistics by sections

	Actual			Estimated	
	1960	1961	1962	1963	1964
Administrative Regulations Section:					
Cases pending beginning of year	45	54	38	44	44
Cases received during year	1,976	1,748	2,278	2,300	2,300
Cases terminated during year	1,967	1,764	2,272	2,300	2,300
Cases pending end of year	54	38	44	44	44
Average number of attorneys	16	17	17	18	18
Appeals and Research Section:					
Cases pending beginning of year	41	33	43	32	27
Cases received during year	556	595	578	580	585
Cases terminated during year	564	585	589	585	590
Cases pending end of year	33	43	32	27	22
Average number of attorneys	20	19	19	21	21
Fraud Section:					
Cases pending beginning of year	13	8	3	3	8
Cases received during year	363	449	537	570	600
Cases terminated during year	368	454	537	565	590
Cases pending end of year	8	3	3	8	18
Average number of attorneys	10	11	10	12	12
General Crimes Section:					
Cases pending beginning of year	10	2	24	3	13
Cases received during year	571	569	608	650	690
Cases terminated during year	579	547	629	640	685
Cases pending end of year	2	24	3	13	18
Average number of attorneys	13	14	15	20	20
Organized Crime and Racketeering Section:					
Cases pending beginning of year	33	31	41	103	78
Cases received during year	493	403	526	725	725
Cases terminated during year	495	393	464	750	728
Cases pending end of year	31	41	103	78	75
Average number of attorneys	17	37	52	65	65
Trial Staff:					
Cases pending beginning of year	23	34	34	17	27
Cases received during year	21	13	20	25	35
Cases terminated during year	10	13	37	15	30
Cases pending end of year	34	34	17	27	32
Average number of attorneys	9	7	10	13	13

Estimate

	1963	1964
Average number of attorneys (total)	149	149
Front office, SAAG's, administration	11	11
Total average number of attorneys	160	160

Statistical data work (July 1, 1961, through June 30, 1962)

	Division total	Administrative regulations	Appeals and research	Fraud	General crime	Organized crime	Trial staff
Days in court	511	5	10	10	4	329	153
Days in field	5,946	11	0	36	142	5,076	681
Days before grand juries	1,097	0	0	5	60	894	138
Days on special projects	10,074	40	357	241	587	7,770	1,079
Matters on which oral advice given	49,722	3,110	3,644	2,495	652	39,640	181
Intradeparmental memos prepared	25,810	5,133	455	1,074	671	18,381	96
Appellate briefs prepared	390	4	335	8	22	19	2
District court briefs prepared	113	12	0	1	10	90	0
Appellate briefs reviewed	328	155	58	7	8	100	0
District court briefs reviewed	220	142	5	3	18	52	0
Memoranda on legislation	707	66	282	17	121	220	1
Matters reviewed and referred	16,609	608	1,675	5,091	795	8,437	3
Matters reviewed and closed	14,465	2,440	3,320	5,038	1,052	2,615	0

Mr. ROONEY. They indicate that an adidtional 12 positions are requested.

Attorney General Miller, do you have a statement with regard to this?

GENERAL STATEMENT

Mr. MILLER. Yes, sir. I would like to point out that over the last year and a half the workload of the Criminal Division has remained at a high level. The primary emphasis, as is shown by the number of attorneys assigned to the particular section of the Criminal Division, has been in the organized crime and racketeering area.

As you know, the initial program was divided into three parts; the first was to obtain legislation which would expand the jurisdiction of the FBI itno certain areas where they had not been before.

The second thing was to set up an intelligence unit. We feel that we were hampered in our efforts because we did not have an up-to-date continuous intellignce from the 25 to 29 Federal investigative agencies, all of whom do investigations within the sphere of their particular jurisdictions.

The third thing we have done is something which has caused our attorneys to have a closer working relationship with these investigative agencies and to coordinate the investigations which we are directing into the organized crime field.

I would point out that the workload figures, insofar as man-days in court and man-days in grand juries, are as follows: Man-days in court in 1960 were 283; man-days in court in 1962, 809.

Man-days before grand juries in 1960 were 388. Man-days before grand juries in 1962 was 1,146.

This is a demonstration of the fact that we are attempting, not just to sit down and read reports, but actually to get out into the grand juries and attempt to break up the problem in the organized crime field.

I would say that in the last year, as our intelligence has become better, we are better able to see what the problem is and we have switched the emphasis of our operations from less of at nationwide scale and have concentrated principally on the larger, metropolitan areas. These are the more difficult areas. They are the more sophis-

ticated areas from the criminal standpoint, and we have had successes and we have had failures.

I am happy to report that last year I said Chicago was a problem and we have five attorneys assigned out there in the U.S. attorney's office working on organized crime cases. We are now in a position where we have not only made some cases and obtained some convictions, but the prognosis for actually accomplishing something in this very difficult area in Chicago is beginning to look much brighter.

The additional personnel we have requested are 10 people to work in the so-called Intelligence Unit. This Intelligence Unit receives approximately 1,200 investigative reports a month. These investigative reports average approximately 10 pages. We have found that due to the amount of intelligence data that is coming in from the FBI and other investigative agencies, we are not able to keep abreast of the data coming in. The information then is not extracted and not placed in the file and consequently we are no better off with respect to the intelligence data that we have, not indexed, than we were before we set up this Intelligence Unit. However, we are up to date in New England, Chicago, Milwaukee, and Florida, and almost up to date in New York, but we are falling behind. We have fallen behind to the point where we have instituted Saturday work for the girls in this unit.

The additional two people that we are requesting are two secretaries for the Organized Crime Section which will bring the ratio up to one secretary to four attorneys in that Section.

The additional request is for $20,000 for grand jury transcripts. I think that the man-days spent in the grand jury and the man-days spent in court indicate why there is an additional amount which is required here.

CASELOAD STATISTICS

Mr. ROONEY. Looking at your workload data at page 13–50, with regard to the organized crime and racketeering section, it would appear that you expect to have substantially less cases next year than you expect to have in the current year; is that right?

Mr. MILLER. What page?

Mr. ROONEY. Page 13–50.

Mr. MILLER. The estimate is 750 cases. The actual for 1962 was 464.

Mr. ROONEY. If you will please stay with me, with regard to cases pending at the beginning of the year——

Mr. MILLER. 526, yes.

Mr. ROONEY. You expect to have 78 in 1964 with these additional employees and rather than 130 that you expect to have in the current year; is that right?

Mr. MILLER. Mr. Chairman, I am sorry. I do not follow you. Cases pending at the beginning of the year?

Mr. ROONEY. Yes.

Mr. MILLER. The answer is "Yes."

Mr. ROONEY. With regard to cases to be received during the year, you expect to have the same amount in 1964 as you expect to receive in the current year; right?

Mr. MILLER. That is correct.

Mr. ROONEY. You expect to terminate less cases in the coming year, with the additional employees, than you expect to terminate in the current year; is that correct?

Mr. MILLER. The estimate in 1963 is that we will terminate 750 and the actual for 1964 that we will terminate 464.

Mr. ROONEY. I am not talking of the 464 cases terminated in 1962. Nineteen sixty-two is behind us. I am talking about the budget for the present year in which you received an amount which was satisfactory to the Department of Justice. With that amount you expect to terminate 750 cases. In 1964 you expect to terminate 728 cases.

Mr. MILLER. Yes, sir.

Mr. ROONEY. Is that right?

Mr. MILLER. Yes, sir; that is correct.

BASIS FOR INCREASED CLERICAL STAFF

Mr. ROONEY. Mr. Andretta, looking at page 13–3, these requested 12 additional employees are all clerks in grades from GS–3 to 5; right?

Mr. ANDRETTA. Yes, sir.

Mr. ROONEY. How do you jibe this request with what you were advising Mr. Bow this morning about the efficiency of the operation over there?

Mr. ANDRETTA. This is a separate clerical job, a particular clerical job that is very tedious and we have exhausted every possible means of doing it mechanically. I have had several surveys made of the systems to put in there, to excerpt these FBI reports and cross index these names, and other intelligence reports. Every time we have considered putting in a new machine operation or a new technique, the thing has fallen down on doing the job and we have had to revert back to the only way you can do this, by human machine.

In other words, bodies. Only people can do this job and keep up with it. Therefore, we have to put this clerical help to do it. We have not given up yet on trying to get some kind of mechanical system.

Mr. ROONEY. Are you sure you do not have too many people over in your shop, your modernization area?

Mr. ANDRETTA. In my shop?

Mr. ROONEY. Yes.

Mr. ANDRETTA. No.

Mr. ROONEY. You do not think you have?

Mr. ANDRETTA. No, sir. This is in the Criminal Division. This is not the Administrative Division.

Mr. ROONEY. I understand that thoroughly. Your answer to my query leads me to think you have too many people in the Administrative Division. You cannot do anything with modernizing, according to your testimony, the Criminal Division; correct?

Mr. ANDRETTA. We cannot in this particular operation. It does not lend itself to machines.

Mr. ROONEY. In the Criminal Division?

Mr. ANDRETTA. That is right. I must say, Mr. Chairman, our management unit looked at this thing for several weeks. They exhausted every possible mechanical device and modern operation you could do to do this job, working with the Criminal Division staff, and we always come back to the fact that it is cheaper and better to do it with people.

CASES ACTUALLY TRIED BY CRIMINAL DIVISION ATTORNEYS

Mr. ROONEY. Mr. Miller, how many cases did you actually try in fiscal year 1962?

Mr. MILLER. 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.

Mr. ROONEY. If you will please look for it, that would lead to my next question.

Mr. FOLEY. We have the number of indictments and convictions.

Mr. ROONEY. I am not speaking of indictments but of cases actually tried. Then I want to find out how many went to the jury.

Mr. FOLEY. That we would have to submit to you, sir.

Mr. ROONEY. Will you please insert at this point in the record a statement indicating the cases actually on trial during 1962, tried by the personnel of this Division rather than the U.S. attorneys?

Mr. ANDRETTA. I have that in the overall but not for this particular Division.

Mr. ROONEY. If you will, please indicate those cases which went to the jury or which were decided by the court and those cases which resulted in a plea of guilty before the trial started.

Mr. ANDRETTA. Yes, sir.

(The requested information follows:)

Criminal Division attorneys participated in the following trials during fiscal year 1962:

Name of defendant	Violation	Disposition
U.S. v. Nicholas A. Stirone	18 U.S.C. 1951, Western District of Pennsylvania.	Jury, convicted.
U.S. v. Arthur Marcus	Criminal contempt, Delaware	Nonjury, convicted.
U.S. v. Carlos Marcello	Petition for writ of coram nobis, Eastern District of Louisiana.	Nonjury, petition denied.
U.S. v. Arthur Baker	18 U.S.C. 1621, Western District of Pennsylvania.	Hung jury, retried, acquitted by jury.
U.S. v. Anthony Corallo, Elliot Kahaner, James Vincent Keogh, Robert Erdman, Sanford J. Moore.	18 U.S.C. 1503, Southern District of New York.	Jury, Corallo, Kahaner, and Keogh convicted; Erdman and Moore severed, cases pending.
U.S. v. Frank Wortman, Elmer Dowling, Gregory Moore, Edward Wortman, Sam Magin.	18 U.S.C. 371, 26 U.S.C. 7201, Eastern District of Illinois.	Jury, Frank Wortman, Dowling, and Moore, convicted; Edward Wortman, hung jury; Magin acquitted.
U.S. v. One Solid Gold Object in the Form of a Rooster — Richard Graves, Claimant.	Forfeiture action under Gold Reserve Act, 31 U.S.C. Nevada.	Jury, verdict for claimant.
Henry Risse v. John P. Ryan	Deportation	Nonjury, remanded to IRS for administrative action.
U.S. v. Robert L. Strauss, Raymond L. Goodman.	18 U.S.C. 152(6), 1341, 371	Jury, both convicted.
U.S. v. Benjamin Dranow	18 U.S.C. 1341, 1343, 152, Minnesota	Jury, convicted.
U.S. v. John George Ledes, Joseph Abrams, Charles Gordon.	18 U.S.C. 201, 202, 281, 371, 434, 1001, District of Columbia.	Jury, all convicted.
U.S. v. Calvin Kovens, Leon Cohen.	18 U.S.C. 1014, 371, Southern District of Florida.	Jury, both convicted.
U.S. v. Anthony J. Zambito, Paul Hankish, Arthur C. Hale, Thomas Scarbor, Alfred Prim, James J. Rogerson.	18 U.S.C. 371, 1952, 1953, 2, Northern District, West Virginia.	Jury, Zambito, Hale, and Rogerson convicted; Hankish, acquitted; Scarbor and Prim, dismissed.
U.S. v. Thomas E. Skinner	18 U.S.C. 134; 1343, 371; 15 U.S.C. 77Q(a)(1); 15 U.S.C. 773(a)(1)(2), Southern District of Florida.	Jury, all pleaded.

Name of defendant	Violation	Disposition
U.S. v. Coombs & Company, Nathan Wechsler, Herman Singer.	15 U.S.C. 77Q(a); 18 U.S.C. 1341, 1343, District of Columbia.	Nonjury, all acquitted.
U.S. v. Oil Lands, Inc., Ronald Sugden Tilley, Sheldon Gottheim, Harry Kaskowitz.	18 U.S.C. 1341, 18 U.S.C. 2, District of Columbia.	Jury, all pleaded.
U.S. v. Columbus Rexall Oil Company.	Sec. Laws, secs. 5 and 17 of Sec. Act of 1933, Southern District of Florida.	Jury—
Joel Burns		Pleaded.
Jack Cayias		Do.
William Cayias		Do.
Erwin Glazer		Convicted.
John K. Coffroth		Pleaded.
S. M. Brooks, Sr.		Do.
Lyman Cromer		Do.
Stephen Dinneen		Do.
Robert Sills		Do.
Nick S. Vidalakis		Do.
Ralph Whitmore		Do.
E. H. A. Andrews		Do.
Jacob Bluestein		Acquitted.
Warren Nesse		Pending.
John W. H. Price		Do.
Alfred Laurence		Do.
Kirby J. Freeman		Acquitted.
U.S. v. Alfred Prim	26 U.S.C. 4411, Northern District of West Virginia.	Jury, pleaded guilty.
U.S. v. Carl Yaquinta, Philip Joseph Hankish, Howard Oscar Allen, Alred Downing.	18 U.S.C. 371, 1952, 1084 and 2, Northern District of West Virginia.	Jury, dismissed by judge. Yaquinta and Hankish plead to violation of 47 U.S.C. 501 prior to trial.
U.S. v. Ernest Lattie Honeycutt, Sam Roy Bryant.	18 U.S.C. 371, 1952, 1953, Western District of North Carolina.	Jury, Bryant and Honeycutt acquitted on 371; Bryant plead to 1 count 1953 and 1 count 1956 during trial, convicted by jury of 2d 1952 count. Honeycutt convicted of 1 count, 1953, and 2 counts, 1952.
Thomas F. Kelly v. Illinois Bell Telephone Company; Western Union Telegraph Co., United States.	18 U.S.C. 1084(d) (civil action)	Injunction granted, plaintiff, nonjury.
Telephone News System v. Illinois Bell Telephone Co.; United States.	18 U.S.C. 1084(d) (civil action)	Nonjury, judge referred to 3-judge court.
U.S. v. Frank Andrews, Peter Andrews, Louis Tye, Gus Postel, Walter Owens, Willard Whitley, Russell Malone, Frank Andriola.	26 U.S.C. 4401, 4411, 4412, 7201, 7203, 7206; 18 U.S.C. 371, 2; 47 U.S.C. 203, 501, Eastern District of Kentucky.	Jury, trial commenced June 25 and completed July 28. All convicted.
U.S. v. Robert Leggett	18 U.S.C. 1503, Eastern District of Kentucky.	Jury, convicted.
U.S. v. Charles Lester, Tito Carinci, Edward Buccieri, Upshire White, Joseph Quitter, Patrick Ciafardini.	18 U.S.C. 242, 2, 371, Eastern District of Kentucky.	Hung jury pending retrial.
U.S. v. Leonard Johnson	Robbery, District of Columbia	Hung jury, subsequently convicted.
U.S. v. Richard L. Mack	Unauthorized use of motor vehicle, District of Columbia.	Jury, convicted.
U.S. v. Helen Ellis	Grand larceny, District of Columbia	Jury trial; plea of guilty prior to trial.
U.S. v. Paul Jeter	House breaking, District of Columbia	Jury trial, plea of guilty prior to trial.
U.S. v. Paul Hankish	26 U.S.C. 4411, Northern District of West Virginia.	Jury, convicted.
U.S. v. Ernest C. Ford	Robbery, District of Columbia	Jury, acquitted.
U.S. v. Paul Crecy	Robbery, District of Columbia	Jury, convicted.
U.S. v. Henry L. Jones	Unauthorized use of a motor vehicle	Do.
U.S. v. Robert L. Daniel	Interstate transportation of stolen motor vehicle.	Jury, acquitted.

Mr. MILLER. This would not be a complete answer to your question, Mr. Chairman, but I have figures back in the office for the trial staff.

Mr. ROONEY. Do you have figures for your days in court with regard to the first 6 months of the fiscal year?

Mr. MILLER. Mr. Chairman, with regard only to the trial staff, since November 15——

Mr. ROONEY. If you have the figures, let us have them.

It would appear from this exhibit that the number of days before grand juries indicated herein, 584, would compare with 535 in the 6 months of the year before; is that correct?

It would appear that in the period July 1, 1962, through December 31, 1962, the number of matters reviewed and closed was 6,487 as compared with only 7,427 in the 6 months period a year before; to wit, from July 1, 1961, through December 31, 1961; is that correct?

Mr. MILLER. Yes, sir.

TRAVEL

Mr. ROONEY. What is the amount of travel in this area, $270,000?

Mr. ANDRETTA. The amount authorized?

Mr. ROONEY. Yes.

Mr. ANDRETTA. Yes; $270,000.

Mr. BROWN. That is correct.

Mr. ROONEY. You are going to do more traveling in the current year, and in the coming year than you did last year, is that correct?

Mr. MILLER. Yes, sir.

LOCATION OF ADDITIONAL CLERKS REQUESTED

Mr. ROONEY. These 12 clerks we referred to previously will all be located here in the seat of government, will they?

Mr. MILLER. Very probably. There is a possibility we may have to put one in either Florida or Chicago where they keep their cards with respect to that area concurrent with and send copies of the cards back to the main Intelligence Unit.

Mr. ROONEY. With that one exception, the rest of them in Washington?

Mr. MILLER. Yes, sir.

RENT TO BE TRANSFERRED TO GSA

Mr. ROONEY. Mr. Andretta, I note you have a nice fat $12,000 at the foot of page 13–3 for rent to be transferred to GSA. Is that the formula under which we add one body down there in that huge Department of Justice Building, and then pay $1,000 a year for rent for that one body?

Mr. ANDRETTA. If there are new bodies going on, that is right. That is the formula. In the Criminal Division, we are taking away $11,000 in rent.

Mr. ROONEY. Who has been paying that $11,000 referred to?

Mr. ANDRETTA. We had to pay it but it comes out in this next year's budget. It is in this year's budget for rental.

Mr. ROONEY. That is because GSA is to pay it in the coming year?

Mr. ANDRETTA. That is right, and we drop it out of our budget. We have to pick it up in the first year and then they take it over after that.

Mr. ROONEY. So that the new members of the committee may understand this, if we were to allow one additional GS–5 clerk down there in the Department of Justice, who would move into a desk right there in the building, we have to pay $1,000 a year rent; is that right?

Mr. ANDRETTA. That is not quite right.

Mr. ROONEY. No; of course, it is not right.

Mr. ANDRETTA. Not with a clerk behind the desk.

Mr. ROONEY. Is that the way you have it set up here?

Mr. ANDRETTA. Not in here; I do not think so. If we have the unit in rented space the clerk would go along with the lawyer, too. We would have to put $1,000 in for rent for each one of the persons.

Mr. ROONEY. How many buildings are you in, in the District of Columbia?

Mr. ANDRETTA. We are in nine now.

Mr. ROONEY. It would appear that of this requested $332,000 additional, $172,000 is required by statute as a result of pay raises and within-grade promotions and 2 extra days in excess of a 52-week base?

Mr. ANDRETTA. Yes, sir.

Mr. ROONEY. That, plus the $111,000 which is loaded into your 1963 base; right?

Mr. ANDRETTA. That is right. The proposed supplemental of $111,000.

Mr. ROONEY. Mr. Bow?

ADDITIONAL CLERKS

Mr. BOW. These 12 new clerks have nothing to do so far as the lawyers themselves are concerned, have they? This is simply an indexing so your comparison of so many clerks for——

Mr. ANDRETTA. Excuse me, Mr. Bow. Two of them, as Mr. Miller said, are secretaries to lawyers.

Mr. BOW. What are they, GS–5's?

Mr. MILLER. Yes, sir.

LOCATION OF LAWYERS IN ORGANIZED CRIME DIVISION

Mr. BOW. In this Organized Crime Division, how many of the lawyers are located here at the seat of Government and how many of them are out in the districts?

Mr. MILLER. There are five stationed in Chicago and there are three stationed in Florida. That is the extent of attorneys.

No, I take that back. Last year there were two assigned to Kansas City and that is now down to one. I believe that that is the extent of the assignments outside of the District of Columbia.

I would point out, however, that others go into the field sometimes for 3 months at a time. If there is a long case coming up, that could be. While they are still home based here they are, nevertheless, in effect temporarily assigned out there in the field.

NUMBER OF ATTORNEYS IN FRAUD SECTION

Mr. BOW. How many attorneys do you have now in the Fraud Section?

Mr. MILLER. I believe there are 12 in the Fraud Section.

Mr. BOW. How many did you have in 1960?

Mr. MILLER. In 1960 we had 10.

Mr. BOW. How about 1961 and 1962?

Mr. MILLER. We had 11 in 1961 and 10 in 1962.

Mr. BOW. Your total number there will go from 270 positions in 1963 to 282 in 1964?

Mr. MILLER. That is correct.

Mr. BOW. You have gone up from 247 in 1962 and now up to 282: correct?

Mr. MILLER. Correct.

ABSORPTION OF INCREASED PAY COSTS

Mr. BOW. How much of the salary increase of last year are you absorbing in this particular Division?

Mr. MILLER. As I understand the figures, the salary increase is costing us approximately $111,000 for the balance of this fiscal year. I believe we are running $33,000 in the hole at the present time irrespective of the salary supplemental.

Mr. MUSKETT. We are also running in the hole on court transcripts and in other areas of litigation expenses by about $59,000.

Mr. BOW. For the purpose of this budget in 1964, are you absorbing any salary increases?

Mr. MILLER. Insofar as salary increase is concerned, if we do not get a supplemental we will be $33,000 in the hole on salaries alone. On the basis of those figures I guess we would have taken care of ourselves about $80,000 and that is just on the salary figures themselves. To be perfectly frank with you, Congressman, we have been holding up appointments except in the cases of honor graduates where we have to do so—where we have made a commitment. We have been holding up promotions for our attorneys and we have, since the pay raise, made only those promotions where we were committed to make them as a part of the honor graduate program.

Mr. BOW. The President said we had to make some economies by absorbing some of the Federal pay raises passed last year and I was wondering and searching for places that it is being done. I have not found any.

Mr. MILLER. I think, if I may say so, we are doing that by holding up promotions and by holding down on hirings.

In other words, the pay raises cost us aproximately $110,000 and if we continue at the same rate, going on now, we will be $33,000 in the hole on salaries of present employees at the end of the year.

Mr. BOW. You are asking for a supplemental on that, are you?

Mr. MILLER. Yes, sir.

Mr. BOW. Who is right? You said no, and I believe he said yes.

Mr. ANDRETTA. The pay raise?

Mr. BOW. Yes.

That is all.

Mr. ROONEY. You just saved $80,000.

STATISTICAL DATA WORK

It might be well if we inserted the exhibit to which reference was made a while ago.

(The document follows:)

Statistical data work (July 1–Dec. 31, 1962)

	Division total	Administrative regulations	Appeals and research	Fraud	General crime	Organized crime	Trial staff
Days in court	466	0	2	0	0	433	31
Days in field	4,092	52	0	21	246	3,000	773
Days before grand juries	584	3	0	2	100	372	107
Appellate briefs prepared	147	3	140	2	0	2	0
District court briefs prepared	65	0	4	0	2	55	4
Appellate briefs reviewed	195	43	9	4	5	130	4
District court briefs reviewed	103	68	3	1	1	30	0
Memorandums on legislation	269	30	118	1	46	74	0
Matters reviewed and referred	8,497	320	1,320	1,642	1,115	4,100	0
Matters reviewed and closed	6,487	868	1,497	2,856	286	980	0

Mr. ROONEY. Thank you, Mr. Attorney General.

Mr. MILLER. Thank you very much, Mr. Chairman.

CIVIL RIGHTS DIVISION

WITNESSES

BURKE MARSHALL, ASSISTANT ATTORNEY GENERAL
W. J. HOLLORAN, EXECUTIVE ASSISTANT

Mr. ROONEY. The next item with which we shall concern ourselves is the Civil Rights Division and the details with regard thereto are to be found under tab 18 of the justification book. These pages indicate that the request is in the amount of $1,254,000, which would be a whopping increase of $443,000 over the amount appropriated to date in the current fiscal year.

JUSTIFICATION DATA

We shall at this point insert in the record pages 18–1 through 18–26 of the justifications.

(The pages follow:)

Civil Rights Division

Appropriation, 1963	$811,000
Proposed pay act supplemental	34,000
Appropriation, 1963 (adjusted)	845,000
Estimate, 1964	1,254,000
Increase	409,000

Under the general direction and supervision of the Attorney General, the Assistant Attorney General in charge of the Civil Rights Division has jurisdiction over and is responsible for the enforcement of all Federal statutes relating to civil rights. This jurisdiction and responsibility includes the so-called civil rights statutes—18 U.S.C. 241, 242, 243, and 244, and the Civil Rights Acts of 1957 and 1960—as well as the statutes relating to extortion and threats, fugitive felons, obstruction of justive, peonage and slavory, misuse of search warrants, protection of merchant seamen, the escape and rescue of prisoners, those applicable to election frauds and interference with the right to vote, and 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, as well as those relating to the application

and construction of the Probation Act, the parole statutes, the Juvenile Delinquency Act, and the sentencing provisions of the Youth Corrections Act. The Division also has cognizance over all matters involving habeas corpus (except those relating to selective service and immigration) and the handling of problems relating to mentally defective defendants temporarily committed pending recovery. Problems concerning the custody of minors sentenced in the District of Columbia Juvenile Court also are handled by this Division.

AMOUNT REQUESTED

The Civil Rights Division will require an appropriation of $1,254,000 to continue its accelerated program of enforcing the Civil Rights Acts of 1957 and 1960 as well as other statutes assigned to its jurisdiction, and to meet new responsibilities which have increased the scope of the Division's activities. This represents an increase of $409,000 over the amount required for fiscal year 1963, itemized as follows:

Cost of statutory provisions:	
Additional pay act costs in 1964 (Public Law 87–793)	$29,800
Within-grade promotions	10,000
2 days regular pay above 52-week base (5 U.S.C. 944c)	6,700
Personnel benefits related to above	4,300
Total cost of statutory provisions	50,800
New personnel (38 positions):	
Salaries:	
2 attorneys, GS–12 at $9,475	18,950
4 attorneys, GS–11 at $8,045	32,180
10 attorneys, GS–9 at $6,675	66,750
Total 16 attorneys	117,880
5 clerks, GS–5 at $4,565	22,825
9 clerks, GS–4 at $4,110	36,990
7 clerks, GS–3 at $3,820	26,740
1 clerk, GS–1 at $3,245	3,245
Total 22 clerks	89,800
Total 38 positions	[1] 207,500
Personnel benefits	15,700
Travel (average: $1,400 times 16)	22,400
Communications (average $400 times 38)	15,200
Rent (average $1,000 times 38)	38,000
Printing ($220 times 16)	3,500
Other (average $750 times 16)	12,000
Supplies ($37 times 38)	1,400
Equipment (16 attorneys at $375 equals $6,000; 22 clerks at $609 equals $13,400)	19,400
Total new personnel	335,100
Miscellaneous expenses and services:	
Increased travel requirements	15,600
Communication costs above current provision	9,600
Additional contractual services	2,900
Total miscellaneous expenses and services	28,100
Deduct nonrecurring provision in 1963 for rent and equipment	−5,000
Net increase	409,000

[1] Actual total is $207,680.

The continued increase in the Division's activities and workload, as pointed out in detail below, requires the hiring of 16 additional attorneys and 22 additional clerical assistants. This request for 38 additional personnel, which would raise the Division's authorized positions from 81 to 119, represents our best estimate for the number of additional staff members needed for the effective

enforcement of the statutes assigned and to carry out the obligations imposed upon the Division. The additional $409,000 requested accordingly represents the minimum additional amount deemed necessary at this time for the Division to operate effectively during fiscal year 1964. Increasing emphasis on civil rights problems with which this Division has an immediate concern and resistance to the Division's enforcement activities in particular areas may require a future request for additional funds and personnel for the effective accomplishment of the Division's functions.

GENERAL STATEMENT

The paramount activity of the Civil Rights Division continues to be securing for all citizens the right to vote without distinction of race and color. In order to meet its obligations and continue its vigorous enforcement of the Civil Rights Acts of 1957 and 1960, the Division must continue its accelerated operations in all phases—field investigations, obtaining and analyzing voting records, litigation, appeals and subsequent enforcement proceedings. Accordingly, a minimum of 13 additional attorneys as well as supporting clerical personnel will be required for this area of activity in fiscal year 1964.

It is estimated that a minimum of 12 of the clerical assistants requested will be needed in the analysis of thousands of voting registration records, which serve as the basic evidence in the increasing number of voting discrimination cases. These activities and needs are detailed below.

During the fiscal year the Division extended its activities into several civil rights fields in which it had not previously been active. The Division shoulders the burden of enforcing regulations issued by the Interstate Commerce Commission in November 1961 elimianting racial discrimination in interstate bus service and bus station facilities. These activities have imposed a much heavier workload on the Division staff than was contemplated when the fiscal year 1963 budget estimates were submitted. The division is also taking action to eliminate racial discrimination in railroad terminals and airports and with respect to racial discrimination in the operation of hospitals which have received Federal funds. Increased participation in the school desegregation field, including investigation and proposed litigation concerning segregation of schools in federally impacted areas, will continue. These additional activities have overburdened the attorneys handling this work in addition to their regular assignments. Two additional attorneys are required in this area.

The staff handling the increased number of appellate actions arising from the stepped-up activities of the Division, including those involving matters relating to Federal prisoners, require as a minimum one additional attorney and supporting personnel for the Appeals and Research Section.

An increase is noted in the number of complaints and cases involving violations of criminal statutes assigned to the Division particularly in those involving police and prison brutality. The 1962 primary and election contests involving candidates for Federal office will greatly increase the workload of the Voting and Elections Section for the coming fiscal year and to a greater extent during the 1964 election campaigns.

Correspondence received and processed by the Division continues to increase, imposing additional burdens on all staff members and particularly for personnel of the Administrative Section who receive and process correspondence and compile and maintain statistical information necessary for general administrative and budget purposes. The additional personnel requested will add to the workload of the already understaffed Administrative Section. Three of the requested clerical assistants are needed for administrative duties, including one additional messenger.

The intensified activity of the present staff is indicated by the fact that during fiscal year 1962, 2,448 hours of paid overtime were reported for the clerical staff. A far greater number of hours of compensatory overtime was earned, and an equal if not greater amount of unpaid overtime work was contributed by the clerical staff. Extra hours worked by the professional staff was incalculable but they are of staggering proportions, running into the many thousands. The Division's activity, more particularly in the enforcement of the Civil Rights Acts, is illustrated by the necessary travel involved in field work. In fiscal year 1961, a far more active year than any since the Division was established in 1957, personnel were in travel status for a total of 904 days. From January through July 1962 the total was 1,148 days. As detailed below, there is every indication

that the Division will continue to increase its activities in all spheres of its responsibilities.

1. Enforcement of the Civil Rights Acts of 1957 and 1960

The main thrust of the Division's activity will continue to be the enforcement of these acts as called for under the stepped-up enforcement plans approved by the Attorney General. Briefly, the 1957 act, the first significant civil rights legislation in more than 80 years, authorizes the Attorney General to institute civil suits in Federal district courts to prevent and redress racial and other arbitrary interference (including intimidation, threats, and coercion) with the right to vote (42 U.S.C. 1971 et seq.). Under the 1960 amendment to the act, the 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.).

Investigative and trial activities in voting cases continue to impose duties and obligations which cannot properly be performed with our present personnel. These duties include the detailed analysis of complex factual situations including voluminous voting records, the preparation for trial and the direction and conduct of court actions and subsequent appellate activities. This must be done on a county-by-county basis through separate actions in each county where evidence of discrimination exists and requires substantial field preparation as well as courtroom trial time. In some 200 counties in a small number of States, the right to vote is denied to thousands of citizens by preventing Negro registration in two major 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 office holders (42 U.S.C. 1971(b)). Since Congress failed to enact the Mansfield bill (S. 2750) on literacy and other performance tests, the Government's burden of proving discrimination by registrars continues to be a heavy one. Likewise, the incidences of intimidation, which are on the increase, require immediate and forceful action by the Division.

In fulfilling its obligations under these acts, the Department conducts an investigation where it has reasonable grounds to believe that acts of discrimination or intimidation against Negroes have been committed for the purpose or with the effect of depriving them of the right to vote or with interfering with their exercise of the right to vote. 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 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 possible efforts 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 1962 the Division filed 17 cases under section 1971 (from September 1958 to the beginning of fiscal year 1962, a total of only 12 cases had been filed). Of the 17, 9 were filed in Mississippi (Clarke, Forrest, Jefferson Davis, Panola, Tallahatchie, George, and Greene Counties and 2 in Walthall County); 5 in Louisiana (Ouachita, Plaquemines, Madison, and Jackson Parishes, and one statewide); 2 in Alabama (Montgomery and Choctaw Counties) and one in Georgia (Bibb County). Two of the Mississippi cases were filed under section 1971(b) charging intimidation and coercion in Walthall County (*United States* v. *Wood*) and Greene County (*United States* v. *Board of Education*).

During the year three cases were tried on the merits, two involving Alabama counties—Dallas (*United States* v. *Atkins*) and Montgomery (*United States* v. *Penton*)—and one involving East Carroll Parish, Louisiana (*United States* v. *Manning*). Decisions were handed down in the East Carroll Parish case and in a Bullock County, Alabama case (*United States* v. *Alabama*) which had been tried in the previous fiscal year. Three cases were submitted on motions for preliminary injunctions.

The complexity of the nature of these cases is illustrated in *United States* v. *Penton*, a suit filed in August 1961 against the registrars of voters of Montgomery County, Ala., and against the State of Alabama, charging discriminatory practices against Negroes. Investigation showed that in 1960, some 63,000 white

persons and 33,000 Negro persons of voting age lived in the country, yet as of December 1961, there were 33,846 white persons registered to vote and 3,760 Negroes registered. An analysis of the registrars records showed that between January 1956 and June 1961, 13,900 applications for registration were filed with the board of registrars. Overall, 96.6 percent of the applications of white persons were approved and 75.4 percent of the applications of Negroes were rejected. This disparsity alone would serve to establish a prima facie case of discrimination. Innumerable hours of unpaid overtime were worked by the staff attorneys, both in the office and in the field. They were required to analyze and correlate the records available, interview witnesses, prepare and argue motions, and make all other necessary preparations for trial. In the analysis of application forms, over 800 man-hours were required of the clerical help in typing control cards alone which set out the pertinent information relating to each registration form. Because of the extensive preparatory work put in by the staff, the Department was able to sustain the charges set out in the complaint that Negro applicants for registration were subjected to different and more stringent standards than white applicants, that the handling of applications of Negroes was subjected to unreasonable delays, among other discriminatory practices. The Division also filed a largely factual brief of 293 pages and attachment volumes depicting graphically and statistically every item of the many forms of discrimination that characterized registration in that county in recent years.

The case was tried in the District Court for the Middle District of Alabama from January 3 to 10, 1962. The Government called 87 witnesses and the defense some 100. After the close of the fiscal year, the court granted the relief sought by the Government and required the registrars to enroll some 1,000 qualified Negroes.

Among the pending cases, one of major significance is *United States* v. *State of Louisiana*, filed in December 1961. This suit seeks a declaratory judgment from a three-judge court that the Louisiana constitutional interpretation test controvenes the 14th and 15th amendments and seeks injunctive relief against the application of the statute. Since the beginning of the present fiscal year, a similar case has been filed against the State of Mississippi and nine other defendants seeking a ruling by a three-judge court of the invalidity of various Mississippi constitutional and statutory provisions used to discriminate against prospective Negro voters (*United States* v. *State of Mississippi*).

Six cases have been filed under section 1971(b), which provides that no person shall attempt to intimidate, threaten, or coerce any other person for the purpose of interfering with the right to vote at a Federal election. Intimidation which serves to block Negro registration comes in many forms. For example, the Division has had to institute action where a person was fired from his job because of efforts to register (*United States* v. *Board of Education*, Greene County, Miss.); his credit was cut off (*United States* v. *Deal*, East Carroll Parish, La.); the channels of trade may be closed (*United States* v. *Beaty*, *United States* v. *Barcroft*, Haywood County, Tenn.; *United States* v. *Atkeison*, Fayette County, Tenn.); or State criminal processes may be used to intimidate him (*United States* v. *Wood*, Walthall County, Miss.). Four of these cases have been disposed of by consent judgment or decree. In the Haywood County, Tenn., cases mentioned above, a consent judgment was entered in May 1962 against 50 defendants and 1 corporation. No Negroes were registered in Haywood County prior to May 1960 and approximately 2,000 are now registered. In *United States* v. *Atkeison*, a consent judgment was entered in July 1962 against 74 defendants. Fifty-eight Negroes were registered in 1959 and approximately 3,000 are now registered. These cases are kept in pending status for such further enforcement proceedings as may be necessary.

In certain areas election officials maintain racially segregated voting procedures and facilities. Such practices existed in Dougherty County, Ga., and were attacked in a suit brought by five Negro citizens of the city of Albany on their own behalf, and on behalf of the other Negroes similarly situated. The suit was brought in the District Court for the Middle District of Georgia against the election officials of the city and county, and the officers and members of the Democratic exectuive committee, who are responsible for conducting primary elections. The plaintiffs alleged that they were denied the equal protection of the laws, and sought a declaration of their rights and an injunction ending the discriminatory practices. On January 8, 1962, the court held in this case (*Anderson* v. *Courson*), that any distinction in the voting process based upon

race or color was unlawful. Thereafter, this Division undertook an active program to eliminate racial distinctions in voting in the State of Georgia. Communications were addressed to officials in various counties in Georgia where available information indicated that distinctions in the voting process existed, seeking voluntary compliance with the holding in the *Anderson* case. Many favorable replies were received. However, the officials of Bibb County, despite the court ruling, earlier requests by Negro residents, and the efforts of the Civil Rights Division to secure elimination on a cooperative basis, publicly announced that such distinctions would be maintained in the forthcoming primary and general elections, to be held on September 12, and November 6, 1962, respectively. After it had become apparent that efforts to secure voluntary compliance were to no avail, suit was filed on May 16, 1962, under section 1971 against the officials in Bibb County, to enjoin the continuation of the discriminatory practices. *United States* v. *Bibb County Democratic Executive Committee* (M.D. Ga.). The Federal district court held, on June 1, 1962, that such practices should be eliminated, at once for certain precincts, and within 1 year for the remaining voting districts.

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. Thus, only one of these cases can be deemed closed with any finality. That case involved a "white primary" in Fayette County, Tenn., which was abandoned in 1960 by a consent decree (*United States* v. *Fayette Democratic Executive Committee*).

In two cases, both captioned *United States* v. *Alabama*, court orders require the registrars of Bullock and Macon Counties to report regularly on their registration activities. Since the issuance of these decrees over 1,500 Negro citizens have been registered in Macon and almost 800 have been placed on the registration rolls in Bullock County. The registrar of East Carroll Parish, La., is also required to report monthly on registration progress (*United States* v. *Manning*). In these as well as in other cases, enforcement hearings must be held to correct individual instances of reported discrimination and failure of the registrars to comply with the standard set out in the decree.

To date, no voting referees have been appointed as provided for by the 1960 act. In *United States* v. *Manning*, the court determined in July 1962, that 28 of 53 Negroes who applied to be registered by the court, were qualified. Twenty-five of them subsequently voted in a primary election in East Carroll Parish, La. This action was taken by the judge after the resignation of the registrar and court action instituted by the State of Louisiana. The registrar has, in the meantime, been cited for contempt and a hearing will be held in the near future.

Trial dates have been set for five cases in the fall of 1962. It is estimated that 16 cases will be tried before the end of fiscal year 1963.

Active investigations of section 1971(a) violations are presently being conducted in 45 counties and 1971(b) violations, in 17 counties. It is estimated that an additional 35 cases will be filed under section 1971 this fiscal year. Three cases have already been filed in August 1962—Alabama (*United States* v. *Mayton*), Mississippi (*United States* v. *State of Mississippi*), and Georgia (*United States* v. *Matthews*).

To fulfill its obligation effectively, the present staff of 15 trial lawyers assigned to this operation will have to be augmented by at least 13 of the additional attorneys requested.

2. Voting records demands

During fiscal year 1962, demands, both formal and informal, for inspection and copying of records under title III of the 1960 act have been made in 37 counties and parishes. This contrasts with the 11 demands made during fiscal year 1961. Ten additional demands have been made since the close of fiscal 1962 and more are contemplated as necessary to enforce the statute. In 13 of these counties and parishes demands were resisted and resort to the courts was necessary. Although the courts have ruled favorably upon all of our applications for enforcement which thus far have been litigated, the resistance encountered and the subsequent court actions have increased the burdens of the Division's staff. The Attorney General's authority under the 1960 act was clearly established in *Kennedy* v. *Bruce*, 298 F. 2d 860 (C.A. 5, 1962). There the district court granted the motion on the registrar for Wilcox County, Ala., to dismiss the Government's application for an enforcement order. Also involved was a State court action, which was removed to Federal court, to restrain the Attorney General from

obtaining the voting records. The court of appeals reversed, dismission the State court action and ordering the lower court to grant immediate compliance with the Government's application. It held that the procedure established under title III of the act does not amount to the filing of a suit of any kind and reaffirmed its earlier holding in *Crum Linkens* v. *Attorney General*, 285 F. 2d 430, a significant holding which last year upheld the constitutionality of title III. The court pointed out that title III permits the application of the Attorney General to be made without identifying the nature of the information upon which he is acting and concluded that the Attorney General's request was sufficient to require the members of the board of registrars to make their records available as requested and upon their failure to do so, to entitle the Attorney General to a prompt order of the court requesting such compliance. In five additional cases argued during fiscal 1962, the Court of Appeals for the Fifth Circuit early in July 1962 again upheld the right of the Attorney General to prompt and unrestricted access to voting records under the Civil Rights Act of 1960. These cases involved Forrest County, Miss., (*Kennedy* v. *Lynd*) and four Louisiana parishes—Bossier (*Kennedy* v. *Bryce*); Webster (*Kennedy* v. *Clement*); De Soto (*Kennedy* v. *Platt*) and Caddo (*Kennedy* v. *Mitchell*).

3. Voting record program

The voting records obtained pursuant to the authority granted in the 1960 act have proved to be the heart of the voting-discrimination cases. In those many counties where the combined totals of white persons accepted as voters and Negroes rejected amount to too many instances of discrimination to be presented to the court by live testimony, through analysis of the records before the trial of the case can be made to tell the county's voting story. For example, Alabama requires, among other things, that its applicants fill out correctly an application and a 21-question form of 4 pages. To analyze the forms of each of thousands of persons accepted and rejected is a formidable but necessary task, as pointed out above in the Montgomery, Ala., case (*United States* v. *Penton.*)

This unique phase of the Division's activity is reported below in some detail since it is a vitally significant operation not reflected in the case workload statistics. As a means of gatherings basic evidence, it will continue to serve as a tool of first importance in the enforcement of the Civil Rights Acts. Not least important is the fact that exhaustive analysis of the records enables the court to articulate precisely in its decree the standards by which applications are to be judged by the registrars or a voting referee.

Where a demand has been served upon a voting 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 which are furnished this Division on microfilm reels. The reels must first be indexed to determine what the records include. A staff attorney must then survey all the records in light of the information known about that county, and develop a system of processing the records which will extract and organize the essential information in a manner which will overcome special or novel problems in the records. Experience indicates that acts and practices of discrimination vary from one jurisdiction to another and the registration records themselves vary. In some counties, for example, race cannot be identified by the registration records. A staff of six trained typists then type into six-ply control cards the essential information set out on each appliaction form. The attorney in charge then analyzes the records to establish the standards which have been applied and to obtain names of potential witnesses. This analysis must be transcribed onto the respective control cards while a complaint is drawn up including this factual analysis as the basis for charging the discrimination involved. The registration records themselves must then be prepared for use in trial. This requires their reproduction by Xerox or other process and their organization in relation to the organization of the control cards, the copies of which are separated and each set organized as directed by the attorney in charge. Exhibits must be prepared which will be introduced in trial together with these records, which will illustrate to the court what the records analysis has shown. Each application card is assigned a number which is also stamped on each of the control cards relating to it. As an example, in the Dallas County case tried in May 1962 (*United States* v. *Atkins*), the arrangement of a set of control cards by the similarity of answers to one of the questions on the application form calling for a subjective answer established that many had identical answers; that the handwriting on many were also identical; and, accordingly, that the applicants had not filled out their own forms—an assistance that was not rendered to re-

jected Negro applicants. Thus, through this procedure the use of registration records and detailed control cards the many facets of discrimination can be conclusively proved.

The workload for this activity is detailed as follows:

Alabama.—In the past fiscal year 20,000 records were prepared for trials in Alabama. Forty thousand additional records from 16 Alabama counties are now being processed and suit is anticipated in more than 6 of these counties this year. (One involving discrimination in Perry County—*United States* v. *Mayton*—was filed in August 1962.)

Mississippi.—In fiscal year 1962 records of less than 5,000 registrants were processed. Recent court orders now enable the Department to inspect and copy registration records, which has resulted in the photographing of records in 13 counties. It is anticipated that records of an additional 20 counties will be photographed this year requiring processing of records of over 200,000 registrants.

Louisiana.—In fiscal 1962, 11,000 applications forms were processed and used in the trial of two cases (*United States* v. *Manning, United States* v. *Fox*). The Division has microfilms of 95,000 applications forms which have not been processed, while formal records demands pending involve approximately an additional 13,000 applications.

It must also be pointed out that after the relief sought by the Government in a voting registration case is granted, the new records in that particular jurisdiction must be photographed periodically. These are processed in the same manner as those prepared for trial to determine whether the registrars are applying the standards to Negro applicants as ordered by the court and to maintain the registration records so they can be used in future hearings as necessary. In four jurisdictions where injunctions have been obtained, the registrars have violated the court orders (Alabama, Macon and Bullock; Mississippi, Forest; Louisiana, East Carroll). This has necessitated further hearings in these cases and again the records have provided the basic means of proving the violations. The records work in the enforcement area will continue to become a major factor in the total records processing workload.

The ever-increasing need for trained clerical assistants necessary for this program cannot be met under present authorization. A minimum of 12 additional clerical personnel is required.

4. Interstate transportation

During fiscal year 1962 the Division extended its activities into several fields of civil rights in which the Department had not previously been active. Primary among these was the field of interstate transportation. At the Attorney General's request and on the basis of a comprehensive brief prepared by this Division after an extensive FBI survey of 209 bus terminals in 17 southern and border States, the Interstate Commerce Commission in September 1961 issued rules and regulations eliminating racial discrimination in interstate bus service and bus station facilities (*Discrimination in Operations of Interstate Motor Carriers of Passengers*, No. MCC–3358, 49 CFR 180(a)). Under these regulations the Commission prohibits motor common carriers of passengers from operating a motor vehicle in interstate or foreign commerce in which the seating of passengers is based upon race, and similarly prohibits such carriers from utilizing any terminal facilities in which racial segregation is practiced. As a result of this regulation, numerous complaints of interference by State and local officials were received and processed by this Division, which has the full burden of the legal action arising from the challenge of rules. Thirty-three such complaints were found to merit departmental action after investigation. In 14 instances, compliance with the law was obtained through informal negotiation and admonishment. Ten arising from six States are still under active consideration. In nine instances, the Department was unable to effect voluntary compliance and was compelled to bring suit against State or local officials to enjoin interference with the implementation of the ICC regulations. In seven of these cases complete relief has been granted by the U.S. district courts; four in Louisiana (*United States* v. *Lassiter, United States* v. *Pharis, United States* v. *Madden*, and *United States* v. *Pitcher*); two in Mississippi (*United States* v. *Fraiser* and *United States* v. *City of McComb*); and one in Alabama (*United States* v. *City of Birmingham*). In Mississippi and Louisiana, three-judge district courts have declared unconstitutional State statutes which conflicted with the ICC regulations. A similar ruling was made by a district court with respect to a Birmingham city ordinance. In one case

relating to the two bus terminals and the railroad terminal in Jackson, Miss., the district court denied the relief sought by the Department and the case is now pending on appeal to the court of appeals (*United States* v. *City of Jackson*). The ninth case filed on May 28, 1962, and relating to the Trailways Bus Terminal in Shreveport, La., is pending in the district court (*United States* v. *City of Shreveport*). Three cases are pending on appeal in the Supreme Court (*United States* v. *Lassiter*, *United States* v. *Pharis*, and *United States* v. *Madden*) and two in the Court of Appeals for the Fifth Circuit (*United States* v. *City of Jackson* and *United States* v. *Fraiser*). In addition, the Division defended a suit brought by the State of Georgia attacking the constitutionality of the Interstate Commerce Commission regulations. (*Georgia* v. *United States*, 201 F. Supp. 813.) The case was argued before a three-judge district court which held the regulations to be valid and found that the court may regulate the vehicles and facilities of interstate commerce regardless of the unconstitutional effect upon intrastate commerce. This case has been appealed to the Supreme Court and the Government has moved to affirm the judgment brought.

During the year the Division continued an equally vigorous and successful campaign against racial discrimination in railroad terminals. In spite of the fact that the ICC had in 1955 ordered most of the major railroads in the South to cease segregating the races, racial segregation in railroad terminals had persisted. A survey conducted for this Division revealed that of 199 terminals in 17 States, 68 had racially segregated facilities. No suits have been filed since voluntary compliance was obtained from the major railroads operating in the South as a result of the efforts of this Division.

The Division has also taken vigorous action to eliminate racial discrimination in airports. A survey of 165 airports led to informal negotiations whereby desegregation was secured in all but 4 of the airport terminals. In each of these instances suits were filed to compel local officials and the terminal management to comply with Federal law. Injunctions have been secured in Montgomery, Ala., and the discriminatory practices have been discontinued (*United States* v. *City of Montgomery*). Cases are still pending as to New Orleans, Shreveport, and Birmingham.

5. School desegregation and other fields

The Division continues to play an active role in this field within the limits of its jurisdiction. At a minimum, the responsibility of the Department in this area is to take any action necessary to protect the integrity of orders of the Federal courts and to protect and promote the due administration of justice in communities where school orders have been issued. In the past year the South and the Nation made great symbolic progress in school desegregation. For the first time since 1954, many cities and towns accepted initial desegregation without a single instance of disorder. Through informal conferences this Division did what it could to make clear the recognition and acceptance of the Department's responsibility and to offer to local officials any kind of assistance which it was within the power of the Federal Government to grant. In each case representatives of the Division attempted to be useful rather than coercive and discovered an acceptance of responsibility by local officials, coupled with a remarkable willingness and ability to provide local leadership in many instances. In these instances officials, with the support and encouragement of others, were fully effective in bringing their people into compliance with Federal law.

Where outside factors interfered with this kind of compliance, the Division had an additional litigating responsibility. During the fiscal year the Department participated as amicus curiae in Federal court actions seeking desegregation of public schools in Orleans, St. Helena, and East Baton Rouge Parishes, La., and in New Rockelle, N.Y., as well as in trade schools located in six communities in Louisiana. Investigation of complaints that Negro applicants to a trade school in Lake Charles, La., had been turned down because of their race resulted in the issuance of a district court order on the application of the Department requiring the State superintendent of education, members of the State board of education and the director of the school to show cause why they should not be held in civil and criminal contempt for refusing to comply with the prior desegregation order of the court. Hearing is set for September 1962 (*Angel* v. *Louisiana Board of Education*). The St. Helena Parish, La., case illustrates some of the problems which these cases raise (*Hall* v. *St. Helena Parish*). Negro private plaintiffs filed suit in September 1952. Numerous procedural delays

followed and the district court did not order desegregation until May 1960. Its order restrained and enjoined the school board from continuing the practice of racial segregation in the schools after such time as was necessary to make arrangements for admission of children to such schools on a racially nondiscriminatory basis and all deliberate speed. This order was affirmed by the court of appeals in February 1961. As a part of its own massive resistence program, Louisiana enacted several parcels of obstructionistic statutes, one of which was a local option law under the provisions of which a referendum was held which resulted in a vote authorizing the parish school board to close the public schools. Negro plaintiffs sued to enjoin this circumvention of the court's order and the court invited the United States, as well as the attorney generals of all 50 States, to file brief amicus curiae presenting their views on the due process with equal protection questions involved in this case. In its amicus brief and oral argument, the Department took the position that the local option closing law and its companion legislation—providing for establishment of private schools and State-financed tuition grants—constituted circumvention of the court's order, denial of geographical and racial protection, and denial of the right of children of St. Helena Parish to a publicly supported education without due process of law. The three-judge district court held that the act was unconstitutional as a denial of geographic and racial equal protection of the law. The Supreme Court affirmed unanimously on February 19, 1962 (368 U.S. 515). In addition, the Division took legal action in the matter of the public schools in Prince Edward County, Va., which had been closed since 1959. Although the district court denied the Government's motion to intervene as a party, the Department in its argument presented to the court its views on the illegality of the school closing. The court in July 1962 rendered a decision in conformance with the Department's views and held that the public schools of Prince Edward County could not lawfully remain closed to avoid compliance with the court's previous desegragation order while schools elsewhere in Virginia remained open and were maintained by the tax money of the State.

The Division has conducted research and investigation with respect to racial discrimination in schools operated with the assistance of Federal funds under the federally impacted area acts (Public Law 815 and Public Law 874). Surveys have been made of the school situation at a selected number of major defense installations in order to obtain information for the drafting of pleadings. The basic purpose of the proposed litigation would be to compel local school districts receiving Federal funds for the education of dependents of military and civilian personnel of the defense establishments to provide such education free from unlawful racial discrimination. It is contemplated that a number of suits will be instituted in the near future in areas where local school authorities refuse to take any steps to eliminate existing discriminatory practices. (The first action was filed in Richmond, Va., on September 17, 1962, *United States* v. *County School Board of Prince George County, et al.*)

In still another field the Division has taken legal action with respect to racial discrimination in the operation of hospitals which receive Federal funds under the Hospital Survey and Construction Act of 1946 (Hill-Burton Act). In a case brought by a number of Negro plaintiffs to compel two hospitals located in Greensboro, N.C., to admit Negro patients on the same basis as white patients and to admit Negro doctors to staff privileges (*Simkins* v. *Moses H. Cone Memorial Hospital*), the complaint alleged that both hospitals which had received substantial amounts of Federal money under the Hill-Burton Act had taken advantage of the "separate but equal" provision in the act (42 U.S.C. 291e(f)). The Department moved to intervene on the ground that the unconstitutionality of an act of Congress was alleged and asked for both a declaration that the "separate but equal" proviso was unconstitutional and an injunction against the unlawful discrimination which the proviso purports to authorize. In June 1962 Government intervention was authorized and its motion for summary judgment on its pleadings is awaiting decision by the court. If the position of the Government is sustained on the merits, the ruling could have a far-reaching effect on racial discrimination in hospital facilities throughout the Nation. This would, accordingly, increase the Division's workload to a presently unforeseen degree.

The volume of work in these newly opened fields will necessarily increase in the coming fiscal years. As a further example, the Department, once having committed itself to the racial desegregation of schools in federally impacted

areas, must necessarily seek compliance in several hundred school districts and must take legal action wherever local authorities refuse to move toward such compliance.

While the basic legal principles with respect to racial discrimination in interstate transportation have been established in the litigation of the past fiscal year, schemes of interference and evasion of increasing sophistication will undoubtedly have to be tested in court in the future. Questions of possible contempt under existing court orders have arisen and can be expected to arise in the future.

The work being accomplished in the school, transportation, and hospital fields mentioned above has broken new ground for the Division and has been accomplished without any regular staff being assigned to these fields of activity. The work has been done by drawing upon the services of attorneys regularly assigned to the Division's sections and has been in addition to the regularly assigned duties of this personnel. This has often resulted, despite heavy overtime hours, in the backlogging of cases regularly assigned.

Accordingly, a minimum of two additional attorneys are required for assignment to these activities.

6. Appellate and research activities

The work of the Appeals and Research Section has increased considerably during the fiscal year. Since the tempo of actions under the Civil Rights Acts of 1957 and 1960 has accelerated, the appellate work involved has also become heavier. The eight attorneys assigned to the Section during the fiscal year prepared three briefs on the merits for the Supreme Court, 1 amicus brief in support of certiorari, 33 briefs in opposition to certiorari, 4 briefs to affirm and 1 amicus motion for stay pending appeal. In the court of appeals the Section filed 28 briefs and prepared a number of briefs for filing in the district court. In addition, 31 memorandums to the Solicitor General recommending for or against certiorari or appeal or amicus participation were prepared. Members of the Section argued a total of 22 cases in the various courts. In addition, the eight attorneys include two who comprise the Federal Custody Unit which on September 12, 1961, was transferred from the General Litigation Section to this Section. This Unit handled 134 Federal custody cases in the District Court for the District of Columbia.

In addition to the appellate work in connection with cases arising under the Civil Rights Acts of 1957 and 1960 and those cases involving bus and school desegregation described above, appellate work was heavy in other areas. This Section prepared the amicus brief in *Baker* v. *Carr*, an action by private citizens in Tennessee alleging denials of constitutional rights resulting from malapportionment of the Tennessee Legislature. In March 1962 the Supreme Court in a 6 to 2 decision reversed a lower court dismissal, holding the district court had jurisdiction of the subject matter; that a justiciable cause of action was stated upon which appellants were entitled to relief and that appellants have a standing to challenge the Tennessee apportionment statutes. This case represents a landmark decision in its field and has resulted in the filing of some 50 similar actions in Federal and State courts. The Section is following developments in all of these cases.

The Government also filed an amicus brief prepared by this Section in three combined cases, the first "sit-ins" to reach the Supreme Court (*Garner* v. *Louisiana*, *Briscoe* v. *Louisiana*, *Huston* v. *Louisiana*, 368 U.S. 157). The Supreme Court reversed the State court's convictions under Louisiana breach of peace statutes, holding, as the Government had argued, that there was no evidence to support a charge of disturbing the peace and that the conviction thus violated the due process clause of the 14th amendment.

The Appeals and Research Section also prepared an amicus brief in *Bailey* v. *Patterson*, 369 U.S. 31 (1962) a "freedom ride" suit originally filed in the southern district of Mississippi, seeking to enjoin the enforcement of State statutes requiring racial segregation on common carriers and in their terminals in Mississippi and to enjoin arrests and other police activities which enforced such segregation. In February 1962, the Sureme Court reversed and remanded the case, holding that State laws requiring segregation in transportation are clearly unconstitutional. The Section has also taken action in the field involving State antidiscrimination laws in *Colorado Antidiscrimination Commission and Green* v. *Continental Airlines*, 368 P. 2d 970 (1962). Green filed a complaint with the commission alleging that the airlines had violated the Colorado Antidiscrimination Act by refusing to hire him as a pilot because he was a Negro. The commission ordered the company to hire him. On appeal to the Colorado

Supereme Court, in which members of this Section prepared an amicus brief and presented oral argument, it was held that the commission had no constitutional power to order his employment. The court stated that there is a need for national uniformity concerning hiring practices of interstate carriers and that the States are precluded by the commerce clause of the U.S. Constitution from exercising their police powers. Green and the commission has petitioned the Supreme Court for certiorari and the Government has filed a supporting amicus brief.

The Appeals and Research Section also prepared the briefs in another case of far-reaching significance in the interpretation of the District of Columbia law relating to acquittal by insanity. *Lynch* v. *Overholser* involved the refusal of the Municipal Court for the District of Columbia to accept a plea of guilty from a defendant whose sanity at the time of commission of the offenses was in grave doubt. The defendant was acquitted by reason of insanity and committed. Thereafter the district court granted a writ of habeas corpus but was reversed by the court of appeals. The Supreme Court granted certiorari in June 1961 and held in May 1962 that Lynch should not have been sent automatically to St. Elizabeths since he himself had not made the insanity plea. With one dissent, the Court held that the 1955 District of Columbia law requiring commitment of persons acquitted of crimes by reason of insanity applied only to those who pleaded insanity as a defense. *Lynch* v. *Overholser*, 369 U.S. 705 (1962).

(*a*) *Research and legislation.*—The Appeals and Research Section carried on extensive research projects in connection with the voting rights literacy bill (S. 2750), involving a comprehensive study of the constitutionality of the bill and assembling supporting legal and factual data. Additional research was made in connection with anti-poll-tax measures supported by the Department, proposals affecting right to Federal habeas corpus by prisoners in State custody and proposed legislation affecting the jurisdiction of military tribunals. Comments on some 50 legislative proposals were reviewed and commented upon.

In addition to this legislative research, other major projects included study of the factual and legal background of sit-in movements; legal questions concerning the apportionment of State legislatures; background of the Black Muslim movement; contempt and mandamus procedures to enforce the Civil Rights Acts of 1957 and 1960 together with various specific questions concerning the legislative history of the acts; continued maintenance of information and files on private litigation involving racial discrimination and reapportionment proceedings; and research in a number of areas of possible additional litigative and other action in the civil rights field.

(*b*) *Federal Custody Unit.*—This recent addition to the Appeals and Research Section continues to experience an increasing workload. This Unit of two attorneys handles legal and administrative questions arising from the time of arrest of a Federal prisoner to his final discharge, with a description of its responsibilities detailed on the first page of this estimate.

The Unit handled 850 matters during the fiscal year as compared with 398 in fiscal 1961. It rendered direct assistance to U.S. attorneys in 244 cases and matters in the various districts.

The Unit also handles directly most suits brought by U.S. prisoners in the District of Columbia courts. Usually, these actions take the form of complaints for declaratory judgment and mandatory injunction. The litigation workload of the Unit in this respect has increased as a result of several decisions by the Court of Appeals for the District of Columbia Circuit which have caused a flood of lawsuits in that District. The court of appeals held that prisoners, no matter where confined, may bring suit in the District of Columbia when they attack adverse administrative decision by the Board of Parole, which has its office at Washington. *Hurley* v. *Reed*, 288 F. 2d 844. It also held that, in unusual factual situations, the failure to allow a prisoner counsel at his parole revocation hearing cannot be corrected by a subsequent offer of a new hearing, with an opportunity to have counsel present. *Glenn* v. *Reed*, 289 F. 2d 462. And the court has held in *Reed* v. *Butterworth*, 297 F. 2d 776, that prisoners have the right to present testimony of voluntary witnesses at parole revocation hearings. As a result of these decisions, a considerable number of prisoners whose parole had been revoked before their rights to certain procedures had become established by court decision have filed suit in the District of Columbia courts. During the fiscal year, 134 such cases were handled directly by attorneys of the Division in the District Court for the District of Columbia. All of these cases required the preparation of pleadings and briefs, generally on novel points of statutory and constitutional law, and appearances in court for oral argument.

The Department has consistently prevailed in the District Court, but appeals have been filed in over 40 cases. These appeals involve the procedures to be used by the Board of Parole in the hearings it grants, and they require detailed consideration of principles of statutory and constitutional law as well as the proper functioning of a forwardlooking and efficient parole system. Division attorneys have handled the briefing and argument on appeal in these cases, as well as in a number of other cases in other courts of appeals where unusual or significant problems in the Federal custody field were presented.

The Appeals and Research Section requires as a minimum, one more attorney to perform its increased duties.

7. *Criminal cases and matters*

(*a*) *General Litigation Section.*—This Section, charged with supervising the enforcement of all statutes assigned to the Division, other than those relating to voting and elections and Federal custody, has also experienced an increased workload. The Section's responsibility covers both the investigatory and trial state (in conjunction with the trial staff) and includes general direction of U.S. attorneys in this field and furnishing necessary legal assistance, which includes actual trial of cases. The Section has cognizance of all matters and cases involving alleged denial of due process of law under the 5th and 14th amendments. Other statutes supervised by the Section include those relating to involuntary servitude and peonage, unlawful use of search warrants, provisions of the Civil Rights Act of 1960 relating to interstate transportation of explosives, including the making of threats and giving of false information concerning attempts to damage or destroy property by explosives, exclusion of jurors because of race or color, discrimination against persons wearing the uniform of the armed services, obstruction of justice, extortion and threats, and the Fugitive Felon Act.

During fiscal year 1962 this Section received 2,036 complaints, an increase of 57 complaints over last year's total of 1,979. It must be pointed out that last year's total included 398 matters received by the Federal Custody Unit, which was transferred to the Appeals and Research Section in September 1961. Matters closed during the year total 1,973 and 597 were pending on June 30, 1962. The Unit supervised the prosecution of 30 cases in Federal courts and had 19 cases pending on June 30, 1962. Grand juries refused to return indictments in six matters presented. Trial activity was highlighted by the following cases:

United States v. *Sartin, et al.* (E.D. Tenn.): An indictment charged a deputy sheriff and another with having made an unlawful arrest, inflicting summary punishment and coercing a confession from a person in violation of 18 U.S.C. 242. On May 12, 1962, after a jury trial, the defendants were found guilty on all counts of the indictment. In postponing the imposition of sentence until a probation report could be secured, the court expressed deep concern that law-enforcement officers would engage in the type of activities disclosed during the trial.

United States v. *Taclour* (D. Nev.): A jury trial in September 1961 in Carson City, Nev., resulted in a verdict of not guilty as to the defendant police officer who had been charged with beating three men. After the trial an investigation was ordered to determine whether perjury had been committed.

United States v. *Chappell* (N.D. Ala.): In August 1961 a Federal grand jury returned an indictment against nine residents of Anniston, Ala., charging them with violation of 18 U.S.C. 33 and 371 as a result of a willful burning of an interstate bus at Anniston on May 14 of that year. The bus involved was carrying, among other passengers, a group of so-called freedom riders. Trial of eight defendants resulted in a disagreement by the jury as to seven. The court directed judgment of acquittal as to the eighth. (The ninth defendant was physically unable to stand trial.) Before a new trial set for February 1962 could be held, six of the defendants changed their plea from not guilty to nolo contendere. One defendant was sentenced to 1 year and 1 day in prison and the other five were given suspended sentences with the provision that all connections with the Ku Klux Klan organization be severed. The indictment was dismissed as to the two other defendants on the motion of the U.S. attorney.

United Stataes v. *Parker* (N.D. Ala.): This is an outgrowth of the *Chappell* case. Parker, one of the jurors in that case, denied Ku Klux Klan membership while being questioned during voir dire examination. In February 1962 Parker was charged with perjury on the basis of evidence showing his denial was false. The case is awaiting trial.

United States v. *Brown and Hungerpiller* (E.D. S.C.): The defendants were charged with having conspired in violation of 18 U.S.C. 241, to injure one Elijah White in reprisal for his having exercised his constitutional right to inform Government officials of violation of Federal laws. The defendants beat and injured White severely after learning that he had cooperated with Treasury agents and informed them of an illicit distillery operated by the defendants. Both defendants entered pleas of guilty and were each sentenced to 2 years in prison.

United States v. *Fridley* (W.D. Va.): The defendant was indicted for mailing a letter to a Negro woman threatening her with bodily harm if she did not move away from the community, in violation of 18 U.S.C. 876. On December 11, 1961, the defendant plead guilty and the court placed him on 1-year probation suspending imposition of sentence.

United States v. *Frederick Ray Williams* (W.D. S.C.): The defendant was indicted for having violated the Fugitive Felon Act as well as the Interstate Transportation of Stolen Property Act. After a jury trial, he was sentenced to 10 years imprisonment on the transportation count and 5 years on the fugitive felon count, sentences to run consecutively.

At the close of the fiscal year seven cases involving police brutality were awaiting trial and two cases involving summary punishment by prison officials. Also pending is *United States* v. *Gray* (D.C. Colo.) involving a charge that the defendant subjected a number of Navajo Indians to involuntary servitude and peonage.

(*b*) *Voting and Elections Section.*—In addition to its responsibility for the enforcement of the provisions of the Civil Rights Acts of 1957 and 1960, the Voting and Elections Section has jurisdiction over the Federal criminal statutes dealing with unlawful political and election practices. These laws appear in title 18, sections 241 and 242 and chapter 29.

The primary elections held in the late spring of 1962 brought forth many complaints of irregularities. These complaints continue to reflect a widespread misconception of the extent of Federal authority in the election field. Few investigations were conducted since the majority of the more than 100 complaints related to possible violations of State laws rather than violations of Federal election laws. Complaints also continue to be received concerning inability to vote from citizens who are unable to satisfy voting residence requirements because they had moved. Protests were also heard from citizens unable to exercise the franchise due to residence on Federal enclaves.

Nine cases arising from activities connected with elections in previous years were disposed of during the fiscal year. In *United States* v. *Seay*, a grand jury in Savannah, Ga., returned an indictment in July 1961 in 2 counts charging 2 election officials and 14 poll watchers of Telfair County with casting and counting, and allowing to be cast and counted, fictitious ballots in the November 1960 presidential election. The first count charged all 16 persons with conspiring to cast and count forged and fictitious ballots for presidential election in 2 of rural Telfair County's 13 precincts and thereby to dilute, diminish, and destroy the value of the votes legally cast, in violation of 18 U.S.C. 241. The second count charged the 14 poll workers with violation of 18 U.S.C. 242. Four of the defendants pleaded nolo contendere. They were fined $500 each, placed on probation for 5 years during which they were ordered to take no part in any election. Nolle prosequi orders were entered as to the remaining defendants.

One indictment was returned and a conviction obtained involving a violation of 18 U.S.C. 612 which prohibits anonymous publication relating to Federal candidates. A Chicago grand jury returned a one-count indictment charging Maurice Henry Lee Williams with willfully causing to be published and distributed copies of an anonymous political pamphlet concerning the Democratic candidate for President of the United States. After a guilty verdict, the court on June 22, 1962, sentenced the defendant to 1 hour in the custody of the U.S. marshal and the payment of $227.80 which was the amount the defendant had paid for having 10,000 copies of the unlabeled material printed. (*United States* v. *Williams*) In addition, one of the two pending cases under section 612 was disposed of in the past fiscal year. In *United States* v. *Scott*, an information had been filed in the District Court for North Dakota charging Scott with the publication and distribution of anonymous political literature in June 1960 concerning the Democratic candidate for U.S. Senator for that State. Scott was tried on September 6, 1961, without a jury and was found guilty and was sentenced to pay a fine of $500. Still pending is *United States* v. *Lyons*, in which a three-count indictment was returned by a grand jury in Shreveport, La., on March 20, 1961, against three

Democratic Party primary workers charging the anonymous publication and distribution of sclerous political campaign material concerning the candidacy of a congressional candidate in the August 27, 1960, primary election.

Convictions were obtained in *United States* v. *Local 543, International Hod Carriers, Builders and Common Laborers, AFL,* under 18 U.S.C. 610, which prohibits political contributions and expenditures by corporations and labor organizations and consenting officers of either. This case involved a political contribution by a labor union to a congressional candidate in the general election of 1957 in West Virginia with the consent by certain union officers to the use of union funds for that purpose and a conspiracy to make such contribution. At the trial in the southern district of West Virginia on September 25, 1961, the defendant local 543 and its business agent, defendant Ray George Fuller, the originator of the scheme, each entered pleas of guilty to two charges. Local 543 was fined the sum of $200 and Fuller was put on probation for 1 year. Charges against the other defendants were dismissed. Five cases involving charges of vote buying for Federal candidates during the November 1958 election in York County, Pa., in violation of 18 U.S.C. 597 were terminated in March 1962. At the conclusion of the trial of one defendant in Harrisburg, Pa., the court granted a motion for acquittal and entered an order for dismissal with respect to the other defendants. (*United States* v. *Knee, et al.*)

8. Administration

The overall increased activity in all phases of the Division's operations will continue to place severe burdens on a small administrative staff. Addition of the requested personnel will require that a minimum of one clerical assistant be added to the personnel handling such items as payroll, time and attendance, travel, health benefits, and other housekeeping functions.

The present staff of two messengers is already seriously overburdened with additional duties including reproduction on the Division's copying machines of material needed by the staff. The increased court activity of the Federal Custody Unit requires that one of the two messengers deliver affidavits to the Bureau of Prisons or the Board of Parole and file pleadings and papers with the district court almost daily. The addition of one messenger is requested.

The collection of complete factual information on developments in the civil rights field, is of great importance to the legal staff and to others in the Department. The Editorial Research Unit comprised of three clerical assistants has assembled, circulated, indexed and made readily available to Division personnel and others in the Department more than 55,000 articles and reports. This represents an increase of some 22,000 items over the number available in June 1960. These items, together with summaries of at least 50 FBI informational reports each day, are indexed for ready use on some 55,700 cards. In July 1961 the Unit received 19 daily newspapers. It now receives 32 daily newspapers, 22 weeklies, and 1 monthly. It is deemed necessary that one additional editorial research clerk be added to the present staff so that the Unit may properly perform the essential services with which it is charged.

All correspondence is processed by the Docket Unit which compiles and maintains statistical information necessary for general administrative and budget purposes and keeps current records of all correspondence and developments in all cases and matters. In order to insure the continued efficient operation of the Unit it is necessary that another docket clerk be added to the present staff of two. The increase in the workload of this Unit as well as for all staff members is reflected in the following correspondence table for the past 4 fiscal years:

	1959	1960	1961	1962
Incoming correspondence	12,388	13,398	30,717	32,297
New complaints	1,947	1,916	2,759	3,093
Outgoing correspondence	8,694	8,795	13,436	16,990
Including:				
Investigative requests	471	723	950	838
Advisory opinions (Federal custody)	696	853	913	1,191

Workload

	Actual			Estimated	
	1960	1961	1962	1963	1964
Cases or matters:					
Pending beginning of year	401	607	898	1,153	1,100
Received	2,188	2,957	3,414	4,000	4,200
Terminated	1,982	2,666	3,159	4,053	4,200
Pending end of year	607	898	1,153	1,100	1,100

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

GENERAL STATEMENT

Mr. MARSHALL. Mr. Chairman, this increase is to deal with particular problems we have and I think I could explain them to the committee. The major problem is the problem of enforcing voting rights. We presently have, in one form or another, activity to enforce voting rights in about 115 different counties. As the committee knows, the only method we have of enforcing voting rights at the moment where there is discrimination by registration officials or reprisals or intimidation against people who want to vote, because of their race, is to bring suit in the particular locality that is affected. In all of the States, that means at the county level.

These cases are of great complexity. I brought along for the committee to see the kind of brief we had to file in one case in one county. That brief was filed in Montgomery County, Ala., during fiscal year 1963.

Mr. ROONEY. How many pages are in that document?

Mr. MARSHALL. The brief itself is 293 pages.

Mr. ROONEY. Go ahead, please.

Mr. MARSHALL. The brief is 293 pages long, including appendices, and one of the exhibits referred to in the appendix to the brief refers to copies of white and Negro registration applications which were processed in the preparation of the complaint and trial. The brief shows that that took five filing cabinets for copies of those registration documents that had to be analyzed. As I say, that is one case in one county. In preparation of this kind of a case, we have a voting records program which is described in brief at page 18–10, 18–11, and 18–12 of the presentation.

In all, we have now photographed records in about 82 counties. In a number of those counties, the records were obtained without litigation but in 26 of the counties we had to bring legal proceedings in order to obtain the records, which are simply the initial stage of enforcement procedure in a county. During fiscal year 1962, or during calendar year 1962, Mr. Chairman, we photographed about 200,000 pages of voting records in various counties. These are all analyzed in great detail by personnel and my division. It all has to be supervised by lawyers but we attempt to have as much of the work done, in order to make it cost less, by personnel who are not lawyers but are simply clerks. Once the case is brought and prosecuted through the courts, we obtain an injunction and there is still a great deal of legal

time required to supervise the decree. In Macon County, Ala., which is one of the cases brought to conclusion during the fiscal year, we obtained an injunction but then had to go back to court several times in order to make sure the injunction was being enforced.

As a result of that need, we have to, on a monthly basis, inspect the applications, make sure whether or not Negro and white applicants can vote, and are treated on the same basis.

We have had to do that in Macon County, Ala.

We had to do it in Bullock County, Ala., which is another case brought to conclusion in the fiscal year.

In one case in Mississippi we have had to bring contempt proceedings which require, in a way, perhaps the presentation of an entire new proceeding, and in two counties, one in Louisiana and one in Alabama, we have had to go through supplemental proceedings under the 1960 Act because Negro applicants have been unable to get registered even after a judgment.

All of that requires a great deal of effort by the legal staff in my division.

Mr. Chairman, in order to demonstrate the results of this, I have collected some figures on the amount of overtime put in by lawyers in my division during the past year. These are necessarily estimates but they are very educated estimates and I think, if anything, they are——

Mr. ROONEY. Not too educated, would you say? Do you mean to say you are a better estimator now than you were a year ago?

Mr. MARSHALL. I mean the estimates are better, Mr. Chairman, on the amount of overtime we have put in, because we attempted to keep some track of them.

Mr. ROONEY. You have been off on a number of these estimates as between last year and this year?

Mr. MARSHALL. I do not think so, Mr. Chairman.

COMPARATIVE ESTIMATES OF CASES TERMINATED

Mr. ROONEY. In the number of cases you terminated, you were over on that, were you not?

Mr. MARSHALL. What figure are you referring to?

Mr. ROONEY. Last year you told us you expected to terminate 3,498 cases and it now turns out that you terminated only 3159; is that correct?

Mr. HOLLORAN. Those are matters and complaints and cases.

Mr. ROONEY. Right. We are talking about the same thing.

At page 18–26 of the pending justifications, you referred to cases or matters; right?

Mr. HOLLORAN. Yes.

Mr. MARSHALL. Mr. Chairman, although those statistics include the matters I am talking about, they are a very small part of it. The cases and matters you are referring to deal with the entire work of the Division; that involves a number of Federal custody matters.

Mr. ROONEY. Are you saying these figures you have furnished us this year and the year before are inconsequential?

Mr. MARSHALL. No, no, Mr. Chairman. They reflect the work of the Division as a whole, but they do not reflect the complexity or the workload involved in the voting matters.

Mr. ROONEY. How would you compare one year's work with another year's work except on this basis? Do you know of any better way to do it?

Mr. MARSHALL. Well, I think that that is a good method of comparing the matters and cases.

Mr. ROONEY. It is about the only method, is it not?

Mr. MARSHALL. No; I think there are other ways of doing it, Mr. Chairman.

I was about to suggest one in the voting field and that is in terms of actual workload borne by the attorneys in the office. Some of this workload is borne on one case or matter. That is, a lawyer can spend an entire year almost on something that would count as one.

Mr. ROONEY. The same applies to every other division of the Attorney General's Office, does it not?

Mr. MARSHALL. That is right. It does.

Mr. ROONEY. How would you make comparisons except on this basis?

Mr. MARSHALL. I think that that is a useful system of making comparisons.

Mr. ROONEY. It is the one we have been using for years.

Mr. MARSHALL. I merely think it is not the only relevant data that the committee should take into account.

Mr. ROONEY. If you have any explanation of the difference between 3498, which you estimated last year to be terminated, and the actual figure of 3159, we will be glad to hear it.

Do you want to add to what you have said?

Mr. MARSHALL. Our estimates were made over a year ago. The terminations are off about 10 percent but pending cases or matters are up. Also, I would like to give you these figures on the amount of work done by my attorneys.

I think that among other things it reflects well on the work done by Government lawyers. These figures deal only with the staff of lawyers, that part of the staff of the Division which deals with the matters I am talking about, and that is the voting work. The results of the voting work has reflected in the appellate work.

OVERTIME

On an average, the trial staff, while in Washington and not in the field, I estimate, put in a total of about 327 hours of overtime each week during calendar year 1962.

Mr. BOW. What do you figure a lawyer's day to be?

Mr. MARSHALL. Seventeen attorneys——

Mr. BOW. How many hours a day?

Mr. ANDRETTA. Overtime is based on an eight-hour day.

Mr. MARSHALL. I think the lawyers, by reason of their profession, expect to work more than a normal working day.

Mr. ROONEY. When you were in private practice, did you follow an eight-hour day?

Mr. MARSHALL. No, I did not, Mr. Chairman.

Mr. ROONEY. Neither did I.

Mr. MARSHALL. On the other hand, I think it is fair to say that based on my own experience—I do not know of any group of lawyers in private practice who work harder than these lawyers I am talking

about—but taking that together with what the appellate and research attorneys in Washington do, which is an additional 8 attorneys, making a total of 25, I have an estimate of about 470 hours of overtime a week or about 24,500 overtime hours during the year. That is in Washington. In addition, based upon the time these men spend in the field preparing voting cases, I think there is annual estimate of approximately 12,000 additional hours of overtime by the attorneys for a total during the year of about 36,500 hours of overtime. That is not a situation which, with any degree of efficiency, they can keep up for any extended time.

In addition, I could mention two more factors bearing upon the workload of the attorneys. One is that we have entered litigation in the area of impacted area schools. We have now filed five cases in that area. These are all large cases. They are important cases and they will involve a good deal of preparations and trial time.

The other factor which I think is of importance has been what I would call unexpected matters which are hardly reflected at all in the statistics of the division. The main one during this past calendar year involved litigation with the University of Mississippi which led to other litigation and which the Department had to participate in very heavily, and which has required a great deal of time by myself and lawyers from the division.

CORRESPONDENCE STATISTICS

In the main, those are the reasons for the need for the increased staff. As far as the work of the Division as a whole is concerned, in addition to the statistics that appear at the back of the presentation book, I checked the correspondence figures for the division for the last 6 months of calendar 1962 to see how it was running as compared to previous years. I found a total incoming correspondence of 23,505 as compared to a total fiscal year correspondence of 32,297.

If it keeps up at that rate, that would mean the total correspondence during the fiscal year would be something in the area of 47,000 pieces, which is a great burden for the division.

The outgoing correspondence during that same 6-month period——

Mr. ROONEY. What do you do, answer about half of them?

Mr. MARSHALL. No; we try to answer everything, Mr. Chairman, that is not in the nature of completely crank mail or something of that sort. We try to answer every piece.

Mr. ROONEY. Your incoming correspondence for 1962 is 32,000 and your outgoing is 16,000. You will not agree that you answered half the mail?

Mr. MARSHALL. I think that part of that is time lag, Mr. Chairman; that the incoming mail at the end of fiscal year 1961 and during fiscal year 1962 increased very greatly as the months went by. The outgoing mail during the past 6 months of 1962 was 10,396.

Mr. ROONEY. Let us go to 1961 when you had 30,000 pieces of incoming correspondence and you answered 13,000.

Mr. MARSHALL. I am sorry, Mr. Chairman. You were correct. We answer about half of it. I think that is correct.

RENTAL PAYMENT

Mr. ROONEY. Mr. Marshall, we have here before us a request to put a certain number of additional people on the payroll; to wit, 38 positions of which 16 are attorneys and 22 clerks. For each one of these you have lumped in here $1,000 per body for rent for a total of $38,000; right?

Mr. MARSHALL. That is correct.

REPORTING AND CONTRACTUAL SERVICES

Mr. ROONEY. You have an item in here of $12,000 entitled "Other," average $750 times 16. What is "Other"?

Mr. ANDRETTA. Reporting services and contractual services in connection with——

Mr. ROONEY. These are reporters you are putting on the payroll, grades 3, 4, and 5?

Mr. ANDRETTA. Not court reporters.

Mr. ROONEY. Do I understand that you add $750 for the services of court reporters to a GS–3, clerk?

Mr. ANDRETTA. No, sir.

Mr. BROWN. This only pertains to the attorneys, Mr. Chairman.

Mr. ANDRETTA. That is for the attorneys.

For example, the way this is going, last year, as of the same period for the first 6 months, they only used up $2,700 for reporting and contractual services. This year, the same period of time, it is $8,815 so that the thing has gone up three or four times as much and it is skyrocketing even more.

Mr. ROONEY. If we were to approve this request you would more than make up sufficient in this regard, would you not, with $12,000 worth of "Other" and $2,900 worth of additional contractual services; right?

Mr. ANDRETTA. I did not get your question.

Mr. ROONEY. You would more than make up for it if we were to approve this budget with $12,000 worth of "Other" and $2,900 worth of additional contractual services?

Mr. ANDRETTA. Make up for what? That is what I did not get.

Mr. ROONEY. "Other."

Mr. ANDRETTA. Yes; that is right.

Mr. ROONEY. Which you said was reporting services, right?

Mr. ANDRETTA. Right.

Mr. ROONEY. What was that last figure you mentioned, $8,800?

Mr. ANDRETTA. That was the obligation as of December 31, $8,815.

Mr. ROONEY. Is that just for the Civil Rights Division?

Mr. ANDRETTA. Yes, sir. We are projecting on the basis of the current rate of expenditure from what we know is in the works, that they are going to spend at least $25,000 or $26,000.

Mr. ROONEY. Is most of the work of the attorneys in this area before outside reporters, in taking statements?

Mr. MARSHALL. Yes; it is.

Mr. ROONEY. Such things as that?

Mr. MARSHALL. Yes, Mr. Chairman. I think the figures Mr. Andretta just referred to are a reflection of the increased litigation load and that is what it is; depositions and courtroom proceedings.

Mr. ROONEY. Mr. Slack?

DESCREPANCIES IN WORKLOAD STATISTICS

Mr. SLACK. On page 18–26 of the justifications, under the title "Workload," you show for cases or matters pending an estimated figure for 1963 of 1,153. Looking at last year's record, I find the workload estimate for the same period was 900. How do you account for the discrepancy of 253?

Mr. MARSHALL. The 900 figure was the best estimate we could give at the time we went before the subcommittee as to the matters that would be pending at the end of the next fiscal year. It was off by 20 percent. I think it was just that we guessed wrong.

Mr. SLACK. In other words, your 1,153 figure is a revised estimate on the 1963 estimate?

Mr. MARSHALL. The 1,153 figure is the number of cases or matters that were, in fact, pending at the end of the 1962 fiscal year, as against the 900 which we thought there would be.

Mr. SLACK. Thank you.

Mr. ROONEY. Mr. Bow?

BASIS FOR INCREASE IN PERMANENT POSITIONS

Mr. BOW. Mr. Attorney General, referring to this 18–26, there is a considerable increase in your estimated workload of 1964 over 1963. I note that you have an increase in permanent positions in 1962 of 73 and 1963 of 80, up to 116 at this time. Do you think that workload justifies an increase of that kind?

Mr. MARSHALL. Well, Congressman, I have attempted to detail what the increase is for, and the increase is for——

Mr. ROONEY. Did you increase solely on the basis of the overtime you talked about?

Mr. MARSHALL. It is on the basis of the overtime and work in that particular area of law enforcement dealing with voting rights and what we think will occur in school cases.

I could put all those together and they would not make, in terms of cases or matters reflected in the workload tables, they would not make any significant difference.

FUNDS FOR UNIVERSITY OF MISSISSIPPI LITIGATION

Mr. BOW. Is there any amount in here at all for Mississippi?

Mr. MARSHALL. No, it is not. I think it would be counted as one case or matter.

Mr. BOW. You testified that some of you people were in that case. Did you spend any money from the funds appropriated for 1963?

Mr. MARSHALL. Yes, we did.

Mr. BOW. Where does that show up in here?

Mr. MARSHALL. I can give you that, Congressman. It shows up——

Mr. BOW. Where did you get that money? It was not in this budget of your Division.

Mr. ANDRETTA. I can show it to you in their 6 months' expenditure figures here.

The Civil Rights Division has obligated as of December 31, $454,953 as against last year at the same time of $360,380. A part of that difference is due to the work in Mississippi.

Mr. Bow. Do you expect anything in this next fiscal year comparable to expenses you had in the *Mississippi* case?

Mr. MARSHALL. The total expenditures that are charged to my Division, Congressman, during the months of September, October, November and December of 1962, because of the University of Mississippi litigation, totalled $14,645.

That is travel expenses and court work, which includes transcripts and that kind of thing.

Mr. ROONEY. While we are on this it might be well if we got a breakdown with regard to that *University of Mississippi* case, as to where you obtained the funds in the various parts of the Department and insert it in the record.

Mr. ANDRETTA. You asked me to furnish that when the Attorney General testified. Do you want me to enlarge upon it?

Mr. ROONEY. It won't hurt to repeat it here.

Mr. Bow. Just the civil rights.

Mr. HOLLORAN. This is the breakdown of the *Mississippi* case as it regards Meredith.

Mr. MARSHALL. Mr. Chairman, I would like to give to you to insert in the record a breakdown of the cases and matters during the fiscal year 1962, which is a breakdown of the workload tables in 18–26.

(The information follows:)

Civil Rights Division statistical report—cases and matters, fiscal year 1962

Cases filed:	
Criminal cases	19
Civil cases[1]	252
Total cases filed	271
Matters[2] received:	
Criminal matters	2,091
Civil matters	1,052
Total matters received	3,143
Total cases filed and matters received	3,414
Terminated:	
Criminal cases terminated	15
Civil cases terminated	280
Total cases terminated	295
Criminal matters terminated	1,961
Civil matters terminated	903
Total matters terminated	2,864
Total cases and matters terminated	3,159

[1] Civil cases include 20 cases filed under 42 U.S.C. 1971, et seq. (Civil Rights Acts of 1957 and 1960); cases in varied fields of civil rights, including amicus curiae participation, involving racial discrimination in transportation, schools, and the like; and Federal custody cases.

[2] Matters are regarded as complaints which merit investigation.

Pending cases and matters:	
Criminal cases pending	16
Civil cases pending	168
Total cases pending	184
Criminal matters pending	653
Civil matters pending	316
Total matters pending	969
Total cases and matters pending	1,153

Mr. Bow, I do not know that I completely answered your question about the present fiscal year. I think that it is impossible to anticipate whether or not that kind of an additional expense will be incurred.

Mr. Bow. Do you anticipate any as you see it now?

Mr. MARSHALL. I anticipate, Mr. Bow, that there are going to be additional court orders and private litigation and if there is any problem of enforcement of the court orders that we will certainly meet that. I certainly hope that there will not be any kind of problem like there was in Mississippi.

COSTS OF MERIDITH CASE

Mr. ROONEY. Will you please insert at this point alongside the statement that we just discussed with regard to the total cost to the Department of Justice of the *Meridith* case the costs insofar as the Civil Rights Division is concerned.

(The statement follows:)

CIVIL RIGHTS DIVISION

Meredith costs

September 1962:	
Travel	$3,862.15
Auto rental	731.30
Court work	495.79
Total	5,089.24
October 1962:	
Travel	$2,304.44
Auto rental	425.53
Court work	2,644.93
Total	5,374.90
November 1962:	
Travel	$604.56
Auto rental	24.20
Court work	
Total	628.76
December 1962:	
Travel	$1,253.65
Auto rental	155.38
Court work	997.40
Total	2,406.43
Miscellaneous, telephones	116.60
Overtime pay (279 hours)	1,029.13
Grand total	14,645.06

"Mississippi operation"—Statement showing estimated out-of-pocket expense through Dec. 31, 1962

	Object classification	Criminal Division	Civil Division	Civil Rights Division	U.S. attorneys	U.S. marshals	Immigration and Naturalization Service	Bureau of Prisons	Total
11	Personnel compensation (overtime and premium pay)	$1,018	$246	$1,029	$295	$50,888	$119,706	$21,625	$194,807
21	Travel and transportation of persons	2,174	4,032	9,361	9	66,014	46,704	7,145	135,439
23	Rent, communications, and utilities	1,500	995	117	187	20,922	588	20	24,329
24	Printing and reproduction	300							300
25	Other services	1,249	106	4,138		1,677	11,668		18,838
26	Supplies and materials	50	110			60,463	7,214	2,599	70,436
31	Equipment	300	601			50			951
	Total	6,591	6,090	14,645	491	200,014	185,880	31,389	445,100

COURT WORK

Mr. ROONEY. What is meant by the figures entitled "Court Work"? How did you arrive at those?

Mr. HOLLORAN. Those are transcripts.

Mr. ROONEY. This is under money in September entitled "Court Work," and October court work, all transcription money?

Mr. HOLLORAN. Yes.

Mr. ROONEY. When you computed these amounts so far as the Civil Rights Division is concerned, you didn't compute the cost of the attorneys or clerks in the Civil Rights Division?

Mr. HOLLORAN. No regular salary costs at all.

Mr. BROWN. These are out-of-pocket costs only.

Mr. MARSHALL. In terms of the time of the attorneys it did take quite a bit of time.

Mr. ROONEY. All right, Mr. Bow.

Mr. BOW. I believe that is all I have at this time.

Mr. ROONEY. Mr. Cederberg?

EFFECT OF PROPOSED CIVIL RIGHTS LEGISLATION ON BUDGET

Mr. CEDERBERG. It is my understanding there will be submitted to the Congress in this session new civil rights legislation dealing specifically with this voting question. In view of this have you anticipated whether or not or how this type of legislation if adopted would affect your budget and your workload and has there been any coordination with you in this regard in preparing this budget?

Mr. MARSHALL. I have taken that into account, Congressman, and the exact kind of legislation that will be submitted has not been finally determined by the President.

It would have to be approved by the President, but the kind of legislation that is under consideration would not in my judgment affect the anticipated needs of the Division during the next fiscal year.

Mr. CEDERBERG. What about the fiscal year after that?

Mr. MARSHALL. I cannot look ahead that far. I would say that is probably true as to that fiscal year also. I think I could say this to the committee, that a hopeful comment is that I think that the

question of the enforcement of voting rights is a law-enforcement problem that has an end to it. In that sense it is not like other matters that are dealt with by the enforcement divisions in the Department of Justice such as Antitrust and Criminal Division. I think that we will see an end of the need of intensive litigation to enforce the voting rights of Negroes in this country.

Mr. CEDERBERG. Then what you are saying is if new legislation is adopted in this area you do not believe that it will have any important effect upon the budget of your Civil Rights Division?

Mr. MARSHALL. Not during the next fiscal year, but it would depend on what it is but to the extent that I know what it will be, sir, it would not in my judgment have an effect on the next fiscal year.

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

NUMBER OF CRIMINAL CONVICTIONS

Mr. ROONEY. We have seen the 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 contendere, three persons found guilty after trial. Those are the number of convictions, a total of nine.

Mr. ROONEY. You mean there were only nine criminal convictions in all the work of this area, with how many employees in the year 1962?

Mr. MARSHALL. The cases I referred to, Mr. Chairman, were all under the old Civil Rights Act, the Criminal Civil Rights Act.

Mr. ROONEY. You know what my question was?

Mr. MARSHALL. Your question was whether this was all the convictions.

Mr. ROONEY. Criminal convictions.

Mr. MARSHALL. Criminal convictions.

Mr. ROONEY. In 1962.

Mr. MARSHALL. We also had criminal convictions——

Mr. ROONEY. In 1962?

Mr. MARSHALL. Yes, sir; in fiscal year 1962 in four cases involving voting matters, voting frauds.

Mr. ROONEY. So you had a total of 13 convictions in fiscal year 1962 in criminal cases.

Mr. MARSHALL. That is correct, Mr. Chairman.

Mr. ANDRETTA. Out of 15 terminated.

Mr. ROONEY. How about the first 6 months of 1963? Do you have the figures in that regard?

Mr. ANDRETTA. I am sure I can get that for you, Mr. Chairman.

Mr. ROONEY. Please insert that information at this point in the record.

(The information requested follows:)

Civil Rights Division—Convictions (during first 6 months of fiscal year 1963)

Case	District	Statute	Disposition
United States v. *George Sartin; John Sartin.*	Eastern district Tennessee.	18 U.S.C. 242 (police brutality).	Guilty after trial.
United States v. *Clinton E. Savage; William Kennedy.*	Northern district Indiana.	----do----	Do.
United States v. *Troy Fowler*----	Eastern district Missouri.	----do----	Nolo contendere plea.
United States v. *Wayne Henry Gray*.	Colorado----	18 U.S.C. 5181(a), 1584 (involuntary servitude).	Do.

Mr. ROONEY. If there are no further questions, we thank you, Mr. Marshall and gentlemen.

WEDNESDAY, JANUARY 30, 1963.

LANDS DIVISION

WITNESSES

RAMSEY CLARK, ASSISTANT ATTORNEY GENERAL
J. E. WILLIAMS, FIRST ASSISTANT

Mr. ROONEY. The next Division under "Salaries and expenses, general legal activities," is for the Lands Division.

The particulars are to be found under tab 15 of the justification book. They indicate that the request is in the amount of $3,808,000, which would be an increase of $238,000 over the amount appropriated to date in the current fiscal year.

JUSTIFICATION DATA

We shall at this point insert in the record pages 15–1 through 15–15 of these justifications.

(The justification pages follow:)

Lands Division

Appropriation, 1963	$3,570,000
Proposed pay act supplemental	95,000
Appropriation, 1963 (adjusted)	3,665,000
Estimate, 1964	3,808,000
Increase	143,000

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 in-

terests 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 injunciton 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 $3,808,000 for the 1964 fiscal year for the compensation of personnel and other expenses. This is an increase of $143,000 over the amount required for the 1963 fiscal year.

The increase is needed for the following purposes:

Additional pay act costs in 1964 (Public Law 87–793)	$98,500
Within-grade promotions	18,200
Personnel benefits	9,100
2 extra days' pay (5 U.S.C. 944c)	17,200
Total increase	143,000

DETAILS OF REQUEST

The Division is requesting 244 positions for the 1964 fiscal year which is the same number as was authorized for the 1962 and 1963 fiscal years. The increase of $143,000 is needed to comply with statutory requirements relating to employees' compensation and benefits.

WORKLOAD

A. Land acquisition: During the 1962 fiscal year, the Lands Division received 19,982 tracts of land for acquisition by either direct purchase or condemnation proceedings. This was an increase of 1.9 percent over the previous fiscal year and more than had been received in any fiscal year since 1944. However, the Division was able to close 23,845 tracts, which was an increase of 32.5 percent over the previous fiscal year and more than were closed in any fiscal year since 1945. This was accomplished without an increase in the authorized positions over the previous fiscal year. It is hoped that, through improvements in procedures and management, the closing rate can be increased in the 1963 fiscal year without an increase in authorized positions. 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 1962 fiscal year involved the acquisition of 575,390 acres and 6,314 parcels of land. The cost of this land amounted to $145,351,628.95.

As of June 30, 1962, the number of tracts pending in condemnation cases and for direct purchase amounted to 36,177 which is 3,863 less than the number pending on June 30 of the previous year. This is a decrease in pending work of 9.6 percent. Of these pending tracts, 29,359 were in condemnation affecting 2,802,074 acres for which there remained on deposit in the courts $62,013,083.05. The number of pending condemnation tracts decreased by 2,698 over the previous year.

In the 1962 fiscal year, the Division deposited $60,517,556.26 in the registries of the courts or an average of $232,759.83 for each working day of the fiscal year. The disbursements for the year amounted to $56,300,989.62 or an average of $216,542.26 for each working day. The amount of interest paid during the 1962 fiscal year on deficiency judgments in condemnation proceedings closed other than by settlement, was $1,354,455.59 or an average of $5,209.44 for each working day.

There is attached as exhibit No. 1 a statement which shows for the fiscal years 1944 to 1962, 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 1962 fiscal year than any year since 1944. It also shows that the tracts closed exceeded any year since 1945 and increased 32.5 percent over the 1961 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 1963 and 1964 fiscal years. It is important to note that the estimate specified 72,672 tracts to be acquired by condemnation or direct purchase, an average of 36,300 tracts per year for the next 2 years, and will be an increase of 16,318 tracts each year over the 19,982 received during the 1962 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, 1962.

B. Indian claims involved in 450 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 below noted, 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 450 cases pending in the Indian Claims Section, liability has been determined in 54 cases involving approximately 238,984,081 acres of land. This leaves 396 cases where a decision must be made by the Commission as to whether the Government is liable. In the great majority of these cases it will be necessary to spend large sums of money to hire historians, ethnologists, anthropologists, etc.

In order to try to expedite the disposition of these 450 claims the Commission has set a calendar of 33 cases per year. This means that the Division will be required to employ appraisers, historians, ethanologists, etc., in most of these cases during the next 3-year period. In view of this action by the Commission, it is estimated that our uncontrollable expenses for the Indian Claims Section will probably increase.

In addition, we have moved the Commission to set an additional 40 cases during the next 2 years. While the Commission has not yet acted on our motions, which have been pending since early 1962, we assume they will in large measure be granted. This will cause a very substantial increase in the workload of this section and though we assured ourselves we could be ready on each additional case, the need for expert services will be drastically accelerated. In addition, our strict limitations on our own staffs requests for extensions of time which resulted in curtailment in fiscal year 1962 of requests for such extensions to approximately one-third of the time sought by attorneys of Indian tribes, places an additional burden on our staff. It is, however, essential to success of the act, in our opinion.

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 1964 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 $240,357.90 during the 1962 fiscal year and the recovery or protection of land in the name of the United States valued at $368,857. Claims defended amounted to $7,792,467.51 on which judgments were allowed in the amount of $656,552.79 or 8.4 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, 1962, where the dollar amount is known amounted to $121,188,316.

Exhibit No. 4, attached, is a workload statement of the principal litigation sections of the Division for the years 1957 to 1962, 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 Administrative, 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 3½ 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 1964 fiscal year is the absolute minimum required.

EXHIBIT No. 1

Tracts received, closed, pending—Acres and parcels acquired—Cost 1944–62 fiscal years, inclusive

Fiscal year	Tracts received	Tracts closed	Tracts pending June 30	Acres acquired	Parcels acquired	Cost of parcels and acres
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	12,862	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	286,758	329,847	----------	14,337,412	81,072	1,595,907,080.75

Exhibit No. 2

Land acquisitions by acquiring agencies during 1963 and 1964 fiscal years

Agency	Tracts	Acreage	Estimated cost
Interior—Fish & Wildlife	2,110	461,000	$29,784,950
General Services Administration	799		32,565,329
U.S. Coast Guard		17	202,000
Bureau Public Roads	333	916	6,835,602
Department of the Navy	738	22,414	20,644,000
Department of Agriculture	446	68,700	3,605,000
Redevelopment Land Agency	95	578	52,444,628
Department of the Army and Air Force	50,223		142,000,000
National Aeronautics and Space Agency	7,076		46,000,000
Veterans' Administration	12	279	2,125,000
Bonneville Power Administration	5,400	28,093	5,319,000
Interior—Reclamation	5,440	182,011	23,340,336
Total all agencies	72,672	764,068	364,865,845

Exhibit No. 3

Report on cases, tracts, acres pending and balance on deposit for each agency, as of June 29, 1962

Agency	Cases	Tracts	Acres	Balance on deposit
Architect of the Capitol	1	13		$16,150.00
Atomic Energy Commission	38	231	37,187.36	202,468.74
Board of Commissioners—District of Columbia	1	8		607.00
Department of Agriculture	42	49	4,153.63	71,331.51
Department of the Air Force	518	3,571	296,364.75	3,784,089.04
Department of the Army (defense)	205	1,657	1,207,256.41	3,043,140.47
Department of the Army (nondefense)	1,550	15,003	585,453.50	29,742,088.66
Department of Commerce (defense)	48	168	1,017.51	596,606.07
Department of Commerce (nondefense)	7	22	337.22	134,347.14
Department of the Interior (defense) (Bureau of Mines)	34	100	585.16	75,144.40
Department of the Interior (nondefense)	356	2,640	140,725.07	5,814,531.59
Department of Justice (Immigration and Naturalization Service)	1	1		
Department of the Navy	125	4,009	217,715.40	3,440,987.60
Department of the Treasury	4	6	2.07	15,576.00
Federal Aviation Agency	33	410	1,790.71	987,081.96
Federal Facilities Corporation	6	78	2,180.33	116,158.78
General Services Administration (defense)	12	48	96.28	20,622.42
General Services Administration (nondefense)	106	376	7,676.60	7,618,089.67
International Boundary Commission	8	385	83,794.07	1,751,024.26
National Aeronautics and Space Agency	23	195	215,003.52	2,629,091.17
National Capital Housing Authority	5	44		82,870.00
National Capital Planning Commission	12	70	414.82	67,482.44
National Science Foundation	1	3	143.21	1.00
Public Housing Administration	12	38	9.91	44,986.04
Post Office Department	25	146		1,086,167.00
Redevelopment Land Agency	14	52		624,888.09
St. Lawrence Seaway Development Corporation	4	20	116.11	20,100.00
Veterans' Administration	4	16	50.93	27,452.00
Total	3,195	29,359	2,802,074.57	62,013,083.05

EXHIBIT No. 4

Workload, 1957 through 1962

	1957	1958	1959	1960	1961	1962
Land acquisition:						
Condemnation tracts:						
Received	7,437	6,796	7,276	9,942	10,848	8,663
Closed	7,864	7,883	8,907	8,989	6,399	11,361
Pending (end of year)	29,373	28,286	26,655	27,608	32,057	29,359
Title tracts:						
Received	9,534	9,427	11,582	6,511	8,768	11,319
Closed	7,645	8,071	7,647	8,887	11,600	12,484
Pending	7,900	9,256	13,191	10,815	7,983	6,818
Total land acquisition:						
Received	16,971	16,223	18,858	16,453	19,616	19,982
Closed	15,509	15,954	16,554	17,876	17,999	23,845
Pending	37,273	37,542	39,846	38,423	40,040	36,177
General litigation section:						
Regular cases:						
Received	389	445	488	515	484	454
Closed	432	397	476	512	488	485
Pending	655	703	715	718	714	683
Housing cases:						
Received	258	84	173	45	22	51
Closed	294	246	147	94	44	39
Pending	293	131	157	108	86	98
Water resources cases:						
Received	[1] 11	18	8	9	16	22
Closed	[1] 4	9	16	6	12	17
Pending	95	104	96	99	103	108
Indian claims cases:						
Received	10	39	34	15	6	3
Closed	15	13	8	15	13	9
Pending	411	437	463	463	456	450

[1] Since Mar. 18, 1957.

We have with us the distinguished Assistant Attorney General, Mr. Ramsey Clark. Do you wish to address yourself to this, Mr. Clark?

GENERAL STATEMENT

Mr. CLARK. I might speak briefly about it, Mr. Chairman.

We have asked for no increase in personnel and no increase in expenses that are not brought about by statutory necessity, the pay act, and so forth, for, this will be the third year now.

Mr. ROONEY. The increases would consist of the $95,000 for which there is expected to be a supplemental, and which is included in the base figure at page 15–1, plus $143,000 set forth at 15–3.

Mr. CLARK. Yes, sir.

Mr. ROONEY. Do you want to tell us a little about what you are doing and whether we are still giving the country back to the Indians?

Mr. CLARK. I will be happy to, sir.

In land acquisition, of which condemnation is the litigation phase, we received more new tracts last year than any year in recent history. It was up about 2 percent above the previous year, which was the highest for 8 consecutive years. At the same time we closed 23,845 tracts in condemnation and direct purchase, which was 32½ percent above the previous fiscal year, which was also the highest year in 8 consecutive years. In condemnation we closed 77 percent more tracts than were closed in the previous year.

During the course of the year we reduced the number of tracts pending in court by 3,863 tracts, or just under 10 percent.

The rate of increase in productivity reflected in last fiscal year's work continues through the first 7 months of this year so that the

increase in disposition of condemnation tracts for the first 6 months of this fiscal year is 64 percent above the first 6 months of last fiscal year.

The number of tracts received, the incoming work, has continued to rise this year and the agency estimates, if fulfilled would provide a very substantial increase this year and next year; something in the neighborhood of 50 percent over last year and by far the greatest amount of incoming work since World War II.

The total number of tracts pending in condemnation and direct purchase has been reduced in the year since I was last here by approximately 8,000, which runs better than 20 percent of the workload then pending in land asquisition.

General litigation is that broad body of litigation in which we are guarding Federal property.

INDIAN CLAIMS CASES

Mr. ROONEY. What happened to the Indians? Have you had any significant decisions in Indian claims cases in the past year?

Mr. CLARK. We have not had the costly decisions that we reported to you at this time last year; the biggest judgment was in the *Pawnee* case, $7,300,000. During the past year four cases have reached final adjudication and a good dozen have reached final adjudication on the issue of liability as distinguished from valuation and offsets.

Mr. ROONEY. Mr. Smith?

Mr. SMITH. In these Indian claims cases you use expert witnesses to value this land.

Mr. CLARK. Yes, sir.

METHOD OF PAYMENT TO EXPERT WITNESSES

Mr. SMITH. Have you changed the methods of paying these witnesses any in the past 2 years since you have been there?

Do you still contract for their services?

Mr. CLARK. We still contract individually, case by case that is, with the best qualified expert that we can obtain; yes, sir.

Mr. SMITH. Haven't you found that to be a rather expensive method of obtaining these services?

Mr. CLARK. We have found it to be the only method.

Mr. SMITH. For example, just to use as an example or two here, Mr. Hoyt, according to my information, in a period of 6 months, was given a contract totaling $172,600 for his services. Do you think that is the most efficient and best way to get those services?

Mr. ROONEY. He was paid that for doing what?

Mr. SMITH. For being an expert witness.

Mr. ROONEY. Is this figure correct?

Mr. CLARK. I would have to check the specific figures. It would apply to a number of cases that would go on over a period of years.

It was the best figure that we could negotiate for the services to be performed. This is a highly specialized field. A typical appraiser has no knowledge or experience in the field and it is quite difficult to get competent people interested and get them to bid.

We have as diligently as possible protected the Federal interest in getting into these contracts.

Mr. SMITH. Is it quite difficult to get them to bid at these prices you have been paying?

Mr. CLARK. Yes, sir. These are long-range contracts that require a great expenditure of time and effort to them and direct expenses.

Mr. SMITH. For example, some of these people you employed have been full time employees at universities and not even had to take a leave of absence. This is extra work for them. It cannot be as time consuming as you indicate, can it?

Mr. CLARK. That is your conclusion, sir.

Mr. SMITH. This is the statement you gave to the Government Operations Committee in the letter. I know this to be true in the case of one of the professors at Iowa State University. He never had to take a leave of absence to fulfill the contract. He had a contract, one contract for $70,000, and that was on April 7 of 1960 and he had contracts running for several years and never had to take a leave of absence. This is extra work. There is another case.

Mr. ROONEY. Excuse me. Is this correct?

Mr. CLARK. He is talking about Dr. William Murray.

Mr. SMITH. Yes.

Mr. CLARK. When you are characterizing something as extra work, I am uncertain as to what you are talking about.

Dr. Murray presented hundreds of pages of reports that Congressman Coad from Iowa examined very carefully; Congressman Dawson from Illinois had them.

We delivered them to him. They examined them very carefully. Congressman Coad specifically wrote us a letter and said it looked like we got quid pro quo. It looked like these were carefully prepared documents. They involved land evaluation in the Kansas, Nebraska, Iowa area.

Many years ago, this man had prepared his doctor's degree on mortgage values back in the 1840s in this same area. He was ideally suited for this type assignment.

Mr. ROONEY. What period of time did this contract cover? How many years did it run?

Mr. CLARK. They are still going on. They have not been completed yet.

Mr. ROONEY. Does he testify in court?

Mr. CLARK. He has testified a number of times before the Indian Claims Commission; yes.

Mr. SMITH. I am not saying that he is not qualified. I am going to the point of whether or not this is the cheapest way you can get good services.

Mr. CLARK. It is the cheapest way we have been able to find. The alternative suggestion is that experts be put on the Government payroll. We have found that is impossible for two reasons: First, you cannot get experts that have qualifications throughout the country and these claims cover about three-quarters of the country, so actually we would have to put so many on to cover the cases that the salaries would probably exceed the contract cost.

Second, there would be the problem, we are trying to be as fair as we can with the Indians, of self-interest. You have a man on your payroll——

Is he working for his salary or is he using his best judgment and ability to produce an independent appraisal? We have to have peo-

ple with broad experience in these fields, find them in the universities or wherever they happen to be. We have to contract with them as carefully as we can.

Some of them have told me, and I believe them, that they have lost money on these contracts. We have found this: That some of them bid at a figure that it would be, in our opinion, impossible to perform at and in those cases we have had to go to them and say, "You could not fulfill this contract," and point out the troubles before we get halfway down the road and have them default on their obligations which would delay the cases and delay the disposition of this litigation.

Mr. SMITH. Under your statement, a corporation couldn't very well qualify, could they? But, you have given contracts to corporations.

Mr. CLARK. I do not know what I have said that would indicate a corporation could not qualify.

Mr. SMITH. You indicate there is some peculiar personal ability of the individual who will testify as an historian. How could a corporation have the personal ability to analyze historical data?

Mr. CLARK. We are. Sometimes it is through a university, and particularly in the appraisal cases, many of the best appraisers in the Nation are in a corporate setup. We are dealing with the individual. They are part of a corporation. We know who we are getting.

Mr. SMITH. Then, how did the Amos Grant Land Co. qualify for this?

Mr. CLARK. This was a good bit before my time.

Mr. SMITH. I realize that quite a bit of this was. My question was whether or not you are changing this procedure. You seem to indicate you are not.

Mr. CLARK. I would only say this: that since the first time I appeared before this subcommittee, 2 years ago, I have reviewed every contract that we have signed in an Indian Claims appraisal or expert witness matter, regardless of the size, because I have realized that this is a most difficult area and that we have had lawyers in a field of contracting that is outside their general experience. We have reviewed them as carefully as we can. I think we are getting our money's worth on every contract we have made during that time.

Mr. SMITH. You had one contract with C. M. Miller for $107,500. That is just one contract. Do you think if you are going to spend $107,000 on this one case that you do it by contract in that amount? That is the best way to get it done?

Mr. CLARK. The estimates on the appraisal costs in the *Indians of California* case were a half million dollars, and they ranged up to $750,000, and the exposure of the United States in that case could easily go to $150 million by the claims of the Indians, so in terms of——

Mr. SMITH. I have been on lots of law cases where we had experts and we do not judge the expert witness according to the amount of money in litigation. It is according to the services rendered. I have never heard of this criteria before.

Mr. CLARK. I am not proposing that as the criteria, but it shows the complexities of the cases. We are talking about matters that happened a hundred years or better ago in many instances. These men have to make an intimate historical study of facts at that time. It is a tremendously time-consuming matter and a tremendously important matter.

Mr. SMITH. C. M. Miller, according to the figures I have—over a period of about 8 years—was given contracts for fee's totaling $208,000. It cannot be said that these individual contracts were for a long period of time because he was doing others at the same time. I mean they overlap. It is kind of a continuing thing. Obviously the amount of money received by these expert witnesses is far in excess of any sum that anybody pays for expert witnesses in any other kind of case; isn't that true? If others can get expert witnesses in the very difficult cases they have for a lot less than this, why do you have to pay them?

Mr. CLARK. I do not know that there is a litigation comparable to Indian claims litigation and I do not know that others are getting their appraisers cheaper. Congress authorized the "Indians of California" to spend $500,000 for their appraisal. My opinion is that in condemnation, where we are spending hundreds of thousands of dollars every year, we pay more on a day rate basis than we do in our Indian claims cases by a substantial margin.

Mr. SMITH. We spend billions of dollars on roads. I would hate to think what our appraisal fees would cost if we went about it in this manner.

Mr. CLARK. The appraisal fees cost a good bit of money. We pay more appraisal fees in condemnation every year than we do in the Indian claims cases. The interstate and defense highway acquisitions are primarily by the State, with a 90-percent Federal reimbursement.

Mr. SMITH. Indian claim fees are smaller compared to those.

Mr. CLARK. We have more individuals involved. For housing project evaluations the fees exceed $10,000 or $15,000 in many instances, but the time consumed by the appraiser is nothing compared to one of these things. We have these men working on these things for 1 or for 2 or 3 years.

Mr. ROONEY. You mean the Indian claims cases.

Mr. CLARK. Yes, and they have people working for them.

Mr. SMITH. I think the situation is terrible, Mr. Chairman, but there is no use in pursuing it any further at this time.

MILLER CONTRACT

Mr. ROONEY. On this Miller contract to which the distinguished gentleman from Iowa referred wherein he was paid a fee of approximately $107,000, how much was involved in the claim against the Government in that case? Can you tell us?

Mr. CLARK. 23 million acres of land up in Alaska.

Mr. ROONEY. 23 million acres?

Mr. CLARK. Yes, sir, a big piece of land. We pay fractions of a cent an acre for these appraisals. These men have to go back through land records a century old and older.

They have got to be thorough. We have got to see that they are thorough. If not, we will pay many times in a judgment that is not supported under rules of just compensation what our appraiser cost us.

Mr. ROONEY. Over what period of time was Miller required to work to earn the $107,000?

Mr. CLARK. Again, this was before my time, but I recall his having to hire airplanes to fly over these vast forest lands up there, and to charter a boat, and then going through the lands. I would assume

he worked a good 18 months. I can check the specific time for you. I can ask Mr. Miller and check our records.

Mr. ROONEY. Was the cost of the airplanes included in this?

Mr. CLARK. Sure.

Mr. ANDRETTA. That includes all the equipment required to do the job.

Mr. ROONEY. Can you tell us in this particular case in Alaska how much his, you might call them out-of-pocket expenses were, or costs of his survey?

Mr. CLARK. No. I have no personal knowledge of that, sir.

AVAILABILITY OF INFORMATION FROM LIBRARY OF CONGRESS

Mr. SMITH. As a matter of fact, most of the things that they testify to you can get right over here from the Legislative Reference Service in the Library of Congress. Is that not true?

Mr. CLARK. No, sir.

Mr. SMITH. They are historical matters, a good share of them.

Mr. CLARK. I think not at all.

Mr. SMITH. That was according to the letter you gave Mr. Dawson. You itemized the things they needed to testify. I noticed we could get most of them from the Legislative Reference Service of the Library of Congress.

Mr. CLARK. I remember my letter to Congressman Dawson. I would be happy to put it in the record.

Mr. ROONEY. I think it would throw light on the situation.

(An excerpt from the letter of November 13, 1961, from Mr. Ramsey Clark to Mr. Dawson is as follows:)

* * * as to each tract of land on which Dr. Murray has reported he has made a personal valuation. In reaching this valuation it has been necessary for him to make a broad study of economic conditions in the area on the dates involved, of the actual sales or other transactions involving surrounding land, of actual sales of land in question and preferences of settlers in land types, of the highest and best uses of lands involved in the economy existent at the pertinent dates, of interest rates applicable in the area and pertinent dates, of methods, means, and availability of transportation, and of topography, soil types, and qualities, climate and weather conditions, and any other factors determinable which affect land values.

Mr. SMITH (reading):

In reaching this valuation it has been necessary for him to make a broad study of economic conditions in the area on the dates involved.

That we can get from the Library of Congress easily.

Mr. CLARK. I would have to disagree with that.

Mr. SMITH (reading):

Of the actual sales or other transactions involving surrounding land, of actual sales of land in question and preferences of settlers in land types—

we have a history book.

Mr. CLARK. You might have a history book, but he has examined thousands of deeds for that.

Mr. SMITH. This is an old history book. It goes back to all that period over a couple of hundred years. I am sure the person that got this history book up probably worked many, many more years than any of these appraisers have ever worked on these individual cases. There it is all documented.

Of the interest rates applicable to the area and the pertinent dates, of methods, means, and availability of transportation—

a matter of history—

topograph, soil types and qualities—

the Department of Agriculture has all that in a nice folder available usually right out on the table—

climate, weather conditions, and other factors determinable which affect land values.

It is obvious if a man can do this without even getting a leave from from his regular job it cannot be that time consuming. I just cannot see how you can justify spending that kind of money. I am not saying that he is not qualified. There are many more that are, too, in that area. I am positive that you can get these expert witnesses that are just as good for a lot less money.

Mr. CLARK. We would be very happy to have any suggestions you have in that area. We would like to get competent appraisers for less money if we can.

Mr. SLACK. Will the gentleman yield?

Mr. SMITH. Yes.

SUBCONTRACTING

Mr. SLACK. Is it possible that the prime contractor can subcontract this whole proposition out to a subcontractor.

Mr. CLARK. No. They subcontract parts of it but we are dealing primarily with individuals who have a reputation that we think will stand up under cross-examination. This is litigation and many of them have subcontracted, for instance, checking the deed records, county by county, over an area. Dr. Murray's case involved 33 million acres of land.

Mr. SLACK. But you do not know of any case yourself where a contract has been awarded and then has been subcontracted out in whole? whole?

Mr. CLARK. No. We could not permit that. I know from the records that Dr. Amos Grant's contract was not fulfilled by Mr. Grant because of his death.

Mr. SMITH. As a matter of fact, he was having Murray perform that contract, was he not?

Mr. CLARK. Murray was certainly working on it with him according to my information; yes, sir.

Mr. ROONEY. Mr. Williams, how many years have you been with the Lands Division?

Mr. WILLIAMS. A little over 28.

Mr. ROONEY. Is the present system which has been discussed here the system that has been in effect during all those years?

Mr. WILLIAMS. Yes, sir, it has.

Mr. ROONEY. Do you know of any other way to handle it other than as described by Mr. Clark?

Mr. WILLIAMS. I do not. Our problem is to get an expert witness in whom the Court or the Commission has confidence and we have to get the best men we can in the field. A great deal of work is required for them to prepare themselves for testimony.

Mr. SMITH. Mr. Chairman, I might suggest that in most cases for expert witnesses, one figure's on the basis of expenses and the time they consume.

The cost is not figured as a percent of amount of money in the litigation.

(Discussion off the record.)

PAYMENTS TO MESSRS. HOYT AND MURRAY

Mr. ROONEY. I think it might be well if you were to submit to the committee a statement referring by dates and amounts to the payments made to the two gentlemen whose names have been mentioned and indicating the work that they have done to earn the fees that you will set forth. Will you do that?

Mr. SMITH. Mr. Chairman, Mr. H. Hoyt was one of the big ones, too.

Mr. ROONEY. And also the same information with regard to Mr. H. Hoyt. Do you think you can do that?

Mr. CLARK. We can do that, certainly. We will give you everything we have on it. Whether we can get such things as their out-of-pocket expenses, and things like that, is questionable, but we will do our best.

Mr. ROONEY. You can make reference to what you have in the file.

Mr. CLARK. Fine, sir.

Mr. ROONEY. Are there further questions?

Mr. BOW. No questions.

Mr. ROONEY. Thank you, Attorney General Clark and gentlemen.

WEDNESDAY, JANUARY 30, 1963.

OFFICE OF LEGAL COUNSEL

WITNESS

NORBERT A. SCHLEI, ASSISTANT ATTORNEY GENERAL

Mr. ROONEY. The next item under "Salaries and expenses, general legal activities," is that for the Office of Legal Counsel. It is to be found under tab 16 of the justification book and the request is in the amount of $544,000, which will be an increase of $54,000 over the amount appropriated for this Office in the current fiscal year.

We shall now insert pages 16–1 through 16–5 of the justifications at this point in the record.

(The justification pages follow:)

Office of Legal Counsel

Appropriation, 1963	$490,000
Proposed pay act supplemental	22,000
Appropriation, 1963 (adjusted)	512,000
Estimate, 1964	544,000
Increase	32,000

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 $544,000 to perform its assigned duties and functions in the fiscal year 1964. This exceeds the amount needed for 1963 by $32,000. The additional amount is needed to implement statutory provisions concerning the compensation and benefits of employees, as follows:

Cost of statutory provisions:

Additional pay act costs in 1964 (Public Law 87–793)	$21,200
Within-grade promotions (Ramspeck Act)	5,100
2 days regular pay in excess of 52-week base (5 U.S.C. 944c)	3,700
Personnel benefits related to above	2,000
Total	32,000

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.

Although the volume and complexity of the work of the Office has increased in recent years the authorized staff has remained unchanged and no increase is proposed in this estimate. The 1964 budget request merely provides for continuing the Office of its present level.

Workload

	Actual			Estimated	
	1960	1961	1962	1963	1964
Executive orders	116	150	145	125	125
Opinions	104	124	147	120	102
Intradepartmental opinions	333	345	384	350	350
Gifts and bequests	56	60	64	64	64
Special assignments	1,066	1,321	1,468	1,350	1,350
Conscientious objector cases	507	626	482	500	500
Office of Administrative Procedure:					
Interagency studies and opinions	26	72	3	30	30
Agency rulemaking studies	10	2	0	10	10
Special assignments:					
Office	107	333	45	400	400
Conference [1]			776	575	

[1] The Administrative Procedure Conference, for which the Office of Administrative Procedure acts as the Secretariat, is provided for through Dec. 31, 1962, by Executive Order 10934, dated Apr. 13, 1961.

BIOGRAPHY OF NORBERT A. SCHLEI

Mr. ROONEY. Mr. Schlei, as Assistant Attorney General, I believe this is your first appearance before the committee. It is usual of the committee to inquire into your background. We would like a brief biographical sketch of yourself.

Mr. SCHLEI. I would be glad to supply that, Mr. Chairman. I have here a sheet of biographical material that was prepared for presentation to the Senate committee at the time of the hearing on my nomination by the President.

Mr. ROONEY. We shall insert this biographical statement at this point in the record.

(The biographical sketch follows:)

NORBERT A. SCHLEI

Born: Dayton, Ohio, June 14, 1929.

Education: Ohio State University, B.A., 1950; Yale, LL.B., Magna cum laude, 1956.

Married: Jane Moore, August 26, 1950.

Children: Anne, 9; William, 7, and Andrew, 2.

Military service: Midshipman, USNR, 1946–50; ensign, USN, 1950–52, on board U.S.S. *Albany* (CA-123) in Atlantic and Mediterranean Fleets; lieutenant (jg), USN, 1952–53, aide to Rear Adm. E. H. von Heimburg, USN, Commander Training Command, U.S. Atlantic Fleet. Released to inactive duty June 5, 1953; now lieutenant, USNR.

Experience: 1954, law clerk with Dinsmore, Shohl, Sawyer, & Dinsmore, Cincinnati, Ohio; 1955, special duty with International Law Branch, Office of the Judge Advocate General of the Navy, Washington, D.C.; 1956-57, law clerk to Associate Justice John M. Harlan, Supreme Court of the United States; 1957-59, attorney-associate with O'Melveny and Meyers, Los Angeles, Calif.; 1959-62, member of the firm of Greenberg, Shafton, and Schlei, Los Angeles; 1961, George S. Leatherbee Lecturer, Harvard Graduate School of Business, Cambridge, Mass.; 1961-62, lecturer in law, University of Southern California, Los Angeles.

Memberships: Ohio Bar, State Bar of California, American Bar Association, Los Angeles Bar Association, San Fernando Valley Bar Association, American Judicature Society, Urban League, Town Hall, YMCA.

Publications: Associate author of McDougal & Associates, "Studies in World Public Order," Yale University Press, 1961; author of "State Regulation of Corporate Financial Practices: The California Experience," Harvard University, 1962, and articles in legal periodicals. Served as editor-in-chief, Yale Law Journal, 1955-56.

Mr. ROONEY. It looks pretty good, too. You were with former Secretary of Commerce Charlie Sawyer in Cincinnati.

Mr. SCHLEI. Yes, that is right, sir. That was valuable experience.

Mr. ROONEY. He was a fine Secretary of Commerce. You are glad to hear that, being from the State of Ohio, Mr. Bow?

Mr. BOW. He was a great Ohioan and a fine man, no question about it.

APPROPRIATION REQUEST

Mr. ROONEY. Do you wish to address yourself to this, Mr. Schlei? It would appear that your request of $54,000, which is $22,000 in the base by way of a proposed Pay Act supplemental and $32,000 set forth at page 16–3 are to cover statutory requirements as the result of additional Pay Act costs within grade promotions and such things; is that correct?

Mr. SCHLEI. That is correct, Mr. Chairman.

Mr. ROONEY. How do you find the Office of Legal Counsel?

Mr. SCHLEI. It is a very busy place.

WORKLOAD

Mr. ROONEY. Your workload is down. Do you think you could cut your appropriation?

Mr. SCHLEI. I think it would be very difficult, Mr. Chairman. As a matter of fact, I would challenge the statement that the workload is down. The statistics really are not as indicative of the actual situation in our Division as they might be elsewhere. One opinion can take a tremendous amount of work and another opinion can take very little work. The fact that we have done a few more opinions or a few less really is no indication at all of whether we are working very hard or whether we are having an easy time of it.

We are down in statistics with respect to the Office of Administrative Procedure, which has been kept very busy acting as secretariat for the Administrative Conference. Its studies and opinions have been deferred while it has been engaged on that special project and there is no way in the existing system of statistics of reflecting that different kind of effort in which it has been engaged during this past period.

PERSONNEL

Mr. ROONEY. How many people do you have in your office, 44?

Mr. SCHLEI. I think 41 at the moment, Mr. Chairman.

Mr. ROONEY. An authorization of 44, Mr. Andretta, is that correct?

Mr. ANDRETTA. Yes.

Mr. SCHLEI. Thank you very much, Mr. Chairman, gentlemen.

WEDNESDAY, JANUARY 30, 1963.

INTERNAL SECURITY DIVISION

WITNESS

J. W. YEAGLEY, ASSISTANT ATTORNEY GENERAL

Mr. ROONEY. The next item under salary and expenses, "General legal matters," is for the Internal Security Division. The particulars are to be found under tab 17 of the justifications.

We shall at this point insert in the record pages 17–1 through 17–6.

(The pages follows:)

Internal Security Division

Appropriation, 1963	$1,046,000
Proposed Pay Act supplemental	45,000
Appropriation, 1963 (adjusted)	1,091,000
Estimate, 1964	1,132,000
Increase	41,000

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 $1,132,000 for the fiscal year 1964. The increase of $41,000 over 1963 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 details are as follows:

Statutory provisions:	
Additional pay act costs in 1964 (Public Law 87–793)	$46,000
Within-grade promotions	9,500
2 days regular pay above 52-week base (5 U.S.C. 944c)	7,500
Personnel benefits related to above	4,000
Total	67,000
Less savings contemplated from higher lapses	26,000
Net increase in 1964	41,000

GENERAL STATEMENT

The Division consists of Criminal, Civil, Registration, Appeals and Reseach, 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	3	6
Criminal Section	16	9
Civil Section	17	9
Registration Section	8	6
Appeals and Research Section	8	4
Administrative Section	1	12
Department Security Office	4	4
Policy Planning and Liaison	4	5
Total	61	55

NEW MATTERS

The Internal 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, recommending 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 1962, 7,102 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 7,102 new matters received 107,932 reports, memorandums, and documents from the FBI and other sources as compared with 92,770 in fiscal 1961 and 105,219 in fiscal 1960. It is estimated that a greater number of these items will be received in fiscal years 1963 and 1964. 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.

The following is a breakdown of new matters which were actually received during fiscal years 1960, 1961, and 1962, and of estimated new matters for fiscal years 1963 and 1964. The work of the Appeals and Research Section is not included, since it rarely handles new matters. Neither pretrial opinions nor the work of the Interdepartmental Committee on Internal Security is included.

APPROPRIATION REQUEST

Mr. ROONEY. They indicate the requested amount is $1,132,000, an increase of $86,000 over the amount appropriated to date in the current fiscal year. It also appears that there is no request for additional personnel; is that correct?

Mr. YEAGLEY. That is correct.

Mr. ROONEY. And that the $45,000 included in the base figure, which it is anticipated by the Department will be granted in the pay act supplemental, and the $41,000 set forth at page 17–4, a total of $86,000 is all for increases as the result of statutory action; is that right?

Mr. YEAGLEY. That is correct.

Mr. ROONEY. Do you want to tell us something which might justify the continuation of this Division in the coming fiscal year?

GENERAL STATEMENT

Mr. YEAGLEY. I might make a short statement.

As you indicated, the request for fiscal year 1964 is for $1,132,000 and the increase relates to the salary matters that you have referred to from the pay bill and the increased personal benefits. There is no change in the total number of positions this year over last year.

We hope to be able to continue with the same personnel ceiling of 116 through fiscal year 1964.

During the past year our efforts have principally been directed toward enforcing the provisions of the Internal Security Act, which as you may recall, really became effective upon the Supreme Court's action in affirming the case against the Communist Party in October of 1961, which was followed by our indictment of the Communist Party for its failure to register on December 1, 1961. This in turn has implemented other areas of enforcement. Three or four months later in March we indicted the two top leaders of the party under this law, Gus Hall, the general secretary, and Benjamin Davis, the national secretary. These two are awaiting trial here in the District of Columbia. Then we filed petitions under the membership clause of this law against 14 members of the national committee for their failure to register with the Attorney General as members of the Communist Party.

Mr. ROONEY. We shall insert Assistant Attorney General Yeagley's prepared statement at this point in the record.

(The statement follows:)

STATEMENT OF ASSISTANT ATTORNEY GENERAL J. WALTER YEAGLEY ON THE 1964 BUDGET JUSTIFICATION

In our budget justification for fiscal year 1964 we are asking for an appropriation of $1,132,000. The increase of $41,000 over 1963 relates to such items as additional pay act costs, within grade promotions and personnel benefits. There is no change in the 116 positions now authorized which consist of 61 attorneys and 55 nonprofessionals. We are currently carrying on our functions in the internal security area with this umber and we hope to continue to do so during the 1964 fiscal period.

During the past year our efforts have been directed primarily at enforcing the provisions of the Internal Security Act of 1950 in accordance with the decision of the Supreme Court requiring the Communist Party to register with the Attorney General as an organization substantially dominated and controlled by the Soviet Union. Following the Supreme Court's decision the Order of the SACB became final on October 20, 1961. As I advised this committee in my appearance a year ago the Communist Party on December 1, 1961, was indicted by a grand jury in the District of Columbia on 12 counts for its failure to register. In December 1962 the party was tried before a petit jury and found guilty on each of 12 counts resulting in the imposition of the maximum aggregate fine of $120,000. In early 1962 we also instituted a grand jury investigation concerning other possible violations of the Internal Security Act as well as a possible conspiracy to evade the provisions of such act.

On March 15, 1962, the two top-level officers of the party, Gus Hall, general secretary, and Benjamin J. Davis, national secretary, were indicted in six counts each on charges of failure to register for the Communist Party. These cases are awaiting trial.

During the past year we also filed petitions against 14 members of the national committee of the Communist Party for their failure to register as members of the Communist Party in accordance with the requirements of the act. To date hearings have been completed in 12 of these cases and orders to register have been entered by the SACB against 10 members. Decisions are pending in the other two cases. Hearings in the remaining two cases are expected to commence within the next 10 days. These trials have been conducted by attorneys of this Division in New York City, Los Angeles, San Francisco, Chicago, Seattle, Wash., as well as Washington, D.C.

The orders of the Subversive Activities Control Board directing members of the Communist Party to register are subject to full appellate review and there can be no criminal action against a defaulting member until such order becomes final through failure to appeal or exhaustion of appellate remedies. We expect to file additional petitions against other national leaders of the Communist Party in the near future and we also have a number of such matters in preparation.

In these cases we are required to prove current membership in the Communist Party. For this we rely in the main upon the testimony of FBI informants who are gathering valuable intelligence information in the inner circles of the party. Our uncovering of such informant witnesses is geared necessarily to the investigative responsibility and intelligence coverage of the Federal Bureau of Investigation in the internal security area. To enforce this act indiscriminately without due regard for maintaining proper intelligence coverage of the Federal Bureau of Investigation would be inimical rather than advantageous to our national interest; it could unduly hamper the Federal Bureau of Investigation in its efforts to keep posted on clandestine party operations. Hence in making a decision to use such informants publicly as witnesses it is necessary to weigh in the light of our national interest the advantages to be gained from a successful proceeding of this character against the disadvantage which results from the loss of the source of valuable intelligence information. We are mindful that this particular provision of the act has not yet been tested in the courts.

We are continuing our efforts to implement various sanctions of the Internal Security Act of 1950 which became operative following the decision of the Supreme Court, such as those denying passports to members of a Communist-action organization and prohibiting members of a Communist-action organization from working in key defense facilities or from holding positions in labor unions. There are pending three civil suits resulting from action by the State Department invalidating or refusing to issue passports based on this provision. Most of these provisions pose serious constitutional questions which must be resolved by appropriate test cases.

Soviet bloc officials and agents in this country continue to pose an active and serious threat to our national security as demonstrated in the recent Drummond espionage case and the Santiesteban sabotage case in New York.

Another case in the espionage field now awaiting trial to be conducted by attorneys of this Division is that of George John Gessner. He is a former Army nuclear weapons specialist who was indicted under the Atomic Energy Act on March 30, 1962, for having unlawfully transmitted classified atomic weapons information to a representative of the Soviet Union.

I believe the balance of our operation should continue during the next year more or less as it has in the past. These matters are of course covered in our jusitification and we will try to answer such questions as the committee may have.

JUDY COPLON CASE

Mr. ROONEY. Would I be remiss in my duties if I did not ask about Judy Coplon? What is the present status of her case?

Mr. YEAGLEY. The present status on the record is exactly the same as it was a year ago, Mr. Chairman, when we were here.

Mr. ROONEY. How many years have I been asking you and Attorneys General Brownell and Rogers about that?

Mr. YEAGLEY. You have been asking me for 4 years. This is the fourth year, I think. I have been present when you asked it other times.

Mr. ROONEY. A few other times.

Mr. YEAGLEY. Yes. It has not gone without our attention during the year, but there has been nothing done on the record and nothing to head it toward, or that succeeded, at least, in heading it toward trial.

NUMBER OF CASES IN COURT DURING FISCAL YEAR 1962

Mr. ROONEY. How many cases did you have in court during fiscal year 1962?

Mr. YEAGLEY. As I recall, there were 15 criminal cases that were tried, or convictions, I should say. The civil cases I have listed here. I cannot answer it without going through the papers as to the number tried.

We tried 12 of the membership petitions before the SACB. We had a couple of libel cases. I know there were 32 cases filed during the year.

Mr. ROONEY. Please indicate at this point in the record the number of cases you had in court during fiscal year 1962.

(The information requested follows:)

There were 16 civil cases including proceedings before the Subversive activities Control Board handled by attorneys of this Division.

There were 7 criminal cases involving 10 defendants.

There were six arguments in the Supreme Court and courts of appeal.

Mr. ROONEY. Thank you very much, Mr. Yeagley and gentlemen.

THURSDAY, JANUARY 31, 1963.

CIVIL DIVISION

WITNESSES

J. D. GUILFOYLE, ACTING ASSISTANT ATTORNEY GENERAL
ANTHONY L. MONDELLO, CHIEF OF OFFICE OF ALIEN PROPERTY AND OF THE FOREIGN LITIGATION UNIT
MRS. A. N. SANFORD, ADMINISTRATIVE OFFICER
S. A. ANDRETTA, ADMINISTRATIVE ASSISTANT ATTORNEY GENERAL
J. C. BROWN, CHIEF, BUDGET AND ACCOUNTS OFFICE

Mr. ROONEY. The committee will please come to order. The item to which we shall first direct our attention this morning is the last item under "Salaries and expenses, general legal activities."

It is for the Civil Division and the details are to be found under tab 14 of the justifications.

This request is in the amount of $4,362,000, which would be an increase of $523,000 over the amounts appropriated to date for the current fiscal year.

We shall at this point insert in the record pages 14–1 through 14–20 of the justifications.

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(The pages follow:)

Civil Division

Appropriation, 1963	$3,680,000
Proposed pay act supplemental	159,000
Appropriation, 1963 (adjusted)	3,839,000
Estimate, 1964	4,362,000
Increase	523,000

AMOUNT REQUESTED

The Civil Division estimates that an allotment of $4,362,000 will be required for the fiscal year 1964. This exceeds the 1963 allotment by $523,000.

The items of increase are:

Cost of statutory provisions:	
Additional pay act costs in 1964 (Public Law 87-793)	$155,000
Within-grade promotions	42,000
Regular pay above 52-week base (5 U.S.C. 944c)	28,000
Personnel benefits related to above	15,600
Total	240,600
Additional positions (20):	
Salaries:	
13 legal (GS-12) at $9,485 equals $123,305; 7 clerical (GS-5) at $4,576 equals $32,032; totals $155,337 (10 months)	129,400
Personnel benefits	9,700
Travel	7,000
Rent, communications, and utilities	23,000
Printing and reproduction	3,000
Other services	1,000
Supplies	1,000
Equipment	9,000
Total	183,100
Increase in fees of foreign counsel	65,000
Provision for higher costs of miscellaneous services and facilities:	
Communication services	6,000
Printing and reproduction	5,000
Other services	10,300
Supplies	8,000
Equipment	5,000
Total	34,300
Total increase	523,000

GENERAL STATEMENT

The reorganization of the Civil Division, which was outlined in the budget justification for 1963, was put into effect on September 1, 1961. With the consolidation of the General Litigation, Veterans Affairs, and Government Claims Section, the Division's caseload is now distributed among 8, instead of 10, sections.[1]

The merger of the three sections placed most types of minor suits and claims, and the procedures and problems common to such cases at progressive stages of prosecution, under the administration of one large section. The first responsibility of the Chief of the expanded General Litigation Section has been to expedite disposition of the small cases, and assignments to the attorneys in this section have been arranged to combine cases of importance and special interest with continuous allotments of minor claims which are to be given immediate attention.

[1] Effective, also, on Sept. 1, 1961, the Assistant Attorney General in charge of the Civil Division was made Director of the Office of Alien Property and that Division of the Department, consisting of five sections, became an additional activity, or "ninth section," of the Civil Division, financed under a separate budget allowed out of liquidation assets held by the Alien Property Office.

In January of 1962, this emphasis on reducing the number of pending cases became a divisionwide, centrally directed project, maintained in principal part on an overtime basis, and continued throughout the last 5 months of the year. The caseload reduction project required a survey of the Division's entire caseload, a reevaluation of the files in approximately 9,000 cases and supplementary FBI investigations in many of these cases, and the detailing of units of senior attorneys to 11 of the largest Federal districts where they reviewed pending civil cases and assisted the U.S. attorneys and their staffs in terminating the cases or advancing them to the trial-or-settlement juncture.

As a result of the special efforts during 1962 to disposed of pending cases, a total of 9,407 cases were concluded. This compares with a total of 7,283 cases concluded in 1961; 9,176 cases in 1960; 8,079 cases in 1959; and 7,388 cases in 1958.

However, a record total of 8,860 new cases were received during fiscal 1962, as compared with a total of 8,394 new cases in 1961; 8,537 new cases in 1960; 8,133 new cases in 1959; and 7,791 new cases in 1958.

During 1962, the Division worked on a total of 24,970 cases. This workload was comprised of 16,110 cases in various stages of preparation or litigation carried over from fiscal 1961 and 8,860 new cases which developed during the year. Of the 9,407 cases concluded during the year, 4,124 were suits against the United States claiming a total of $247,475,000. Plaintiffs' recoveries in these cases were held to $14,250,000, or 5¾ percent of the total amount claimed. In the 5,283 cases on behalf of the Government, a total of $91,840,000 was claimed and $43,835,000 was recovered.

The total amount of money collected and paid into the Treasury by the Civil Division in 1962 was $27,386,000, as compared with $23,062,000 in 1961, and $26,732,000 in 1960.

The monetary results achieved in Civil Division litigation during 1962, as well as the $1,287 million involved in litigation pending at the end of the year, should be considered with the size of the Division's entire legal staff in mind, and with some conception of the size and monetary importance of the caseload for which each attorney in the Division is responsible. This can be indicated very roughly, in terms of attorney-years in fiscal 1962, as follows:

Eighty attorneys prepared for trial, and tried or settled, approximately 2,000 cases involving over $195 million; 62 attorneys supervised the handling and termination of approximately 7,400 cases, involving close to $135 million, and conducted the trial of some of the most important cases; 142 attorneys were thus responsible for the 9,407 cases concluded during the year. (In addition, these 142 attorneys were also responsible for 15,563 other cases handled on the division of functions basis indicated above; i.e., handled entirely by Division attorneys, or by U.S. attorneys with the supervision and assistance of the Division attorneys. The work on these cases included the directing of all investigations by the FBI necessary in evaluating and developing such case; the drafting of complaints, answers, briefs, and pleadings; pretrial conferences and pretrial proceedings; settlement negotiations, and the trial of many cases which did not reach final disposition during 1962.)

Seventeen attorneys were exclusively occupied with appellate cases and matters arising out of the Civil Division litigation, as shown hereafter in the statement on the Appellate Section; 10 attorneys were exclusively occupied with all of the customs litigation of the Government, as shown hereafter in the statement on the Customs Section.

The total man-years employed in the Civil Division in fiscal 1962 was 169.

The monetary results of the cases concluded in 1962, and the amount of money involved in pending litigation, do not reflect the far greater amounts of money involved in potential claims which are governed by the outcome of many of the cases—particularly the money actually involved in the unasserted claims of persons having rights which are similar or identical to those of the plaintiffs in certain types of suits against the United States. When the trial of one of these cases results in a decision adverse to the Government, administrative payments must be made to hundreds, and sometimes thousands, of other persons who have not filed claims.

Furthermore, it should be mentioned that many cases handled by the Civil Division in 1962 presented issues of much greater importance to the Government than the monetary rights and liabilities involved, and that some of the cases which were of greatest significance to the Government's interests did not involve claims for money. As examples of the latter, there were the suits to enjoin

strikes which threatened the national safety and welfare, and the wide variety of suits which challenged the constitutional or statutory validity of legislative programs and administrative actions.

The Civil Division does not conduct an administrative or law-enforcement program which can be reduced and expanded in accordance with policy or its budget allowance. The Division's job is to represent the Government in all types of cases by and against the United States, excepting certain special areas of litigation such as tax and antitrust. It has been able to do a creditable job with a caseload of this size, diversity, and urgency because of the exceptional competence of its staff, and because this staff is organized into substantive areas of specialization, or sections, within which a further and much higher degree of specialization is practiced. But the Division cannot control the volume or nature of the cases referred by the departments and agencies, or the number or substance of the suits filed against the United States. The defense of cases against the Government may not be deferred, and the cases on behalf of the United States can only be delayed at great financial loss.

Since most of the cases must move forward in the course of a year, the number of attorneys available to handle the caseload determine the amount of time which can be allowed for the preparation of each case, and affects mainly the quality and effectiveness of the legal work. The Government is certainly entitled to the best possible legal representation.

Explanation of estimate by activity—Admiralty and shipping section

	Actual			Estimated	
	1960	1961	1962	1963	1964
Workload data:					
Cases pending July 1	1,905	1,618	[1] 1,701	1,617	1,617
New cases received	697	593	804	800	800
Cases terminated	984	536	888	800	800
Cases pending June 30	1,618	1,675	1,617	1,617	1,617
Man-years, attorneys	24.4	24.2	24.2	25	25

[1] Adjusted figure due to transfer of cases among sections and inclusion of active cases in post-judgment status.

Summary and declaratory judgments, made available in admiralty for the first time by 1961 Admiralty rules revision, and the increased number of Federal judges enabled the Admiralty section to accelerate the reduction of its case inventory during 1962. During the year, 2,505 cases were handled, and 888 closed, an increase of nearly 15 percent over fiscal 1961, when 2,211 cases were handled and only 536 were closed.

Although total inventory has been somewhat reduced, the increase in case closings (352 more cases closed in 1962 than in 1961) affected the more easily handled small cases. The actual workload has very materially increased, however, because of the receipt of an increasing number of novel, large, and exceptionally complex cases. For example, one of our attorneys spent 3 weeks on merely the preliminary Coast Guard hearings in connection with the single *Potomac Disaster* case with much more extensive litigation of its 37 claims worth $10 million still to be processed.

Holdings by the courts that the res ipso loquitur rule required the Government to prove it has exercised due care in every case of unsuccessful search and rescue or of ineffective marking of navigational hazards have created a persistent increase in strike suits hoping for compromise settlements. Such cases are factually complex and require tremendous expenditure of defense attorney time to disprove the presumption of Government liability while the party bringing the suit does not have to do anything except bring suit and take a chance on the Government defending unsuccessfully. Just one of these recent cases involves five deaths and potential liability of about $1 million.

Increasing reliance upon radar has induced the constant maintaining of excessive speed in fog and has brought about a continuing increase in the number of collision cases and the difficulty of their defense. Increased pleasure boating by yachtsmen who are totally unfamiliar with elementary safety and boat regulations has resulted in a marked increase in the number of vessel safety and water pollution cases.

This heavy workload was handled during fiscal 1962 by an average of 24.2 attorneys who were stationed at Washington, New York, and San Francisco. In addition to work at their home stations, attorneys of this section were required to be on travel status for 735 days conducting trials, arguing motions, or attending pretrial conferences. In order to maintain its successful handling of this increasingly heavy workload, the same number of attorneys will be required for the fiscal year 1964.

Court of Claims section

	Actual			Estimated	
	1960	1961	1962	1963	1964
Workload data:					
Cases pending July 1	1,143	[1] 1,114	[2] 1,069	977	937
New cases received	351	293	259	260	260
Cases terminated	376	334	351	300	300
Cases pending June 30	1,118	1,073	977	937	897
Man-years, attorneys	33.5	36.5	37.2	40	40

[1] Corrected figure due to new inventory.
[2] Adjusted figure due to transfer of cases among sections.

The Court of Claims Section reduced the backlog of pending cases in the Court of Claims during the past year and at the same time handled an unusually large number of protracted trials of difficult cases. This effort required the expenditure of a very large amount of overtime work. The attorneys from the Section represented the Government in a total of 140 trials before Commissioners, 99 pretrials, and 147 arguments of cases before the court. In addition, they prepared and filed 1,706 briefs, motions and pleadings, steered the investigations in pending cases and did all the other work required in the preparation of cases for trial.

While the number of new cases filed in 1962 declined slightly, there has been a steady increase for the past 5 years in the more difficult and time-consuming construction contract cases. In 1957, there were 71 construction contract cases out of a total of 1230. At the end of 1962, there were 149 contract cases out of a total of 977 cases pending in this Section.

The construction contract cases pending at the end of the past year involved claims totaling approximately $65,000,000. In addition to increasing in number, these cases are also becoming more complex. Formerly one attorney could adequately handle such a case; at the present time it requires, in many cases, two or three attorneys. Experience shows that on an average a construction contract case requires approximately 150 attorney man-days per case for disposition. Thus, considering the 43 new cases filed during 1962 and the fact that there are approximately 230 work days per year after holidays and leave, in order to contain the backlog at its present level, a minimum of 28 attorneys are necessary to prevent a further increase in the backlog of this type of case alone.

The various other types of cases in the Court of Claims are less time consuming on the whole than the construction contract cases. However, many have complexities which require extensive amounts of time for proper handling. At least 12 attorneys are required for these remaining cases. Since the Court of Claims now has its full quota of 15 commissioners, it is expected that the pressure on the Court of Claims Section for a backlog reduction of all types of cases will be increased. In order to meet its responsibility in this connection, a minimum of 40 attorneys for 1963 and 1964 is essential.

CUSTOM SECTION

During fiscal 1962, the Customs Section was responsible for the defense of nearly 180,000 cases before the U.S. Customs Court. Nearly 41,000 of these cases were filed during the year and over 49,000 were decided during the same period. The number of cases, including both classification protests and reappraisement appeals, is large because the Customs Court had jurisdiction of every such case filed anywhere in the United States and Puerto Rico.

Most customs cases are disposed of by abandonment or stipulation, following a decision in a test case. While the Customs Section does participate in the

handling of all stipulations following a test case, it is the test cases themselves which constitute the bulk of the Section's workload. These test cases are tried in New York or in one of the 90 outports throughout the United States.

During fiscal year 1962, attorneys of the Customs Section tried 218 cases, of which 128 were tried at outports. This represents a substantial reduction from the 294 test cases tried the previous fiscal year, of which 191 were tried at outports. The outport cases tried this past year required our attorneys to travel on 22 outport circuit trips for a total of 323 days during the year. Briefs were filed in the Customs Court in 196 cases which had been tried during this or the preceding year. In addition, 22 briefs were filed by the Section with the Court of Customs and Patent Appeals and 34 appeals were argued before that court by attorneys of the Customs Section.

Part of the reduction in the number of test cases tried is attributable to our shrunken staff, and the increased time spent by our attorneys on the output circuit trips required by the court. Since 1953, the staff of the Customs Section has been reduced from 22 to only 10 attorneys, and the judges of the Customs Court are complaining that depletion of the staff seriously affects the work of the court. With three or four attorneys constantly out of the office, the remaining six or seven (which includes the Section Chief) are hard pressed to service the eight Customs Court judges who remain in New York. Our delays in reaching test cases for trial in New York have already brought criticim, and unless two additional attorneys are provided for this Section in 1964, the Section will be unable to provide proper and timely representation of the Government's interests.

Frauds section

	Actual			Estimated	
	1960	1961	1962	1963	1964
Workload data:					
Cases pending July 1	1,314	1,041	[1] 1,274	1,315	1,465
New cases received	504	507	641	750	750
Cases terminated	777	453	600	600	600
Cases pending June 30	1,041	1,095	1,315	1,465	1,515
Man-years, attorneys	14.9	16.5	15	16	16

[1] Adjusted figure due to transfer of cases among sections and inclusion of active cases in postjudgment status.

Cases and matters under the jurisdiction of the Frauds Section are referred by all departments and agencies of the Government and involve complicated manipulations by Government contractors and subcontractors in their attempts to defraud the U.S. Treasury.

Each matter referred to the Frauds Section is reviewed by one of the supervisory attorneys to determine whether it wararnts assignment to a staff attorney. During 1962, in addition to the 641 new cases received, the supervisory attorneys reviewed 2,740 referrals to the Section. As a result of this review, 2,168 matters were delegated to the U.S. attorneys for handling and 572 matters were closed without further action.

The claims retained in the Frauds Section's caseload are referred to one of the staff attorneys for review. If further investigation is required, he must outline specifically the type of investigation and information needed. Ultimately a decision is reached either to refer the claim to the U.S. attorney for filing suit or to close the file without further action.

The Section's responsibility continues in these sensitive matters even after the claim is referred to the U.S. attorney. It is necessary that our staff (1) review all pleadings, briefs, etc., prior to their being filed; (2) advise U.S. attorneys concerning the theory upon which the Government's claim is predicated; (3) coordinate the uniformity of enforcement of civil fraud statutes by the U.S. attorneys in the numerous districts; (4) assist U.S. attorneys in obtaining and marshaling evidence; (5) coordinate and direct investigations; and (6) coordinate the relationship between U.S. attorneys and the various agencies which have referred the fraud claims. Between 15 and 20 percent of the cases assigned to the staff attorneys are in fact tried by the staff attorneys in the various district courts with very little assistance from the U.S. attorneys' offices, and,

in addition, all settlement negotiations in the large and more important fraud cases are handled by the staff in Washington.

Being current is not only desirable but necessary in the Frauds Section since the principal statute under which it operates contains a 6-year statute of limitations, and many frauds are not detected until years after they occur. This fact plus the progressive increase in the number of new cases received places a heavy burden upon the Section. The Frauds Section has also been assigned responsibility for reviewing all the civil fraud aspects of the Billie Sol Estes matter. This in itself has required the full time of at least two attorneys for several months.

Past experience indicates that one staff attorney cannot keep current a caseload of more than 90 to 100 active cases. Considering the present backlog and the recent increase in new cases, it will be necessary to keep a staff of 16 attorneys in 1964.

General litigation section

	Actual			Estimated	
	1960	1961	1962	1963	1964
Workload data:					
Cases pending July 1	7,172	7,162	[1] 8,976	7,456	7,481
New cases received	5,364	5,344	4,876	4,825	4,950
Cases terminated	5,374	4,373	[2] 6,396	4,800	4,825
Cases pending June 30	7,162	8,133	7,456	7,481	7,606
Man-years, attorneys	33	37.4	33.3	37	37

[1] Adjusted figure due to transfer of cases among sections and inclusion of active cases in postjudgment status.
[2] 1,208 cases closed under order 266-62.

During the past year the General Litigation Section, which now includes the former Government Claims and Veterans' Affairs and Insurance Sections, has reduced the aggregate caseload of the merged sections by 739 cases. This statistical reduction has resulted largely from the termination of small suits and claims. Therefore, although the number of cases has been appreciably reduced, the workload has not decreased substantially and it is anticipated that it will increase.

The first of the series of large renegotiation cases in the Tax Court (the *Boeing Aircraft Company* case) was decided in the Government's favor. It was anticipated that this would be a "lead" case which would make unnecessary the litigation of most of the remaining 26 petitions filed in the Tax Court and involving more than $142 million of excessive profits. However, it has been necessary to fully litigate the *North American* case and the contractors' attorneys in other cases indicate that they intend to litigate those cases as well. The attorney time required for the preparation and trial of these cases will amount to from 3 to 4 man-years per case.

Increases are expected in the number of Government transportation reparation cases before the Interstate Commerce Commission, and civil enforcement proceedings under the 1959 Labor-Management Reporting and Disclosure Act. An increase in the number of suits filed in the Federal district courts by claimants for benefits under the Social Security Act can be expected. The number of persons becoming eligible for such benefits increases every year, which results in an increase in the number of controversies taken into court by persons whose claims are denied by the Social Security Administration. Since such claimants are generally without financial resources it is important that their cases be concluded as promptly as possible.

No additional positions are being requested for the General Litigation Section for 1964, but it is essential to the Government's interests to keep an average of 37 attorneys assigned to this Section in the present and budget years.

Patent section

	Actual			Estimated	
	1960	1961	1962	1963	1964
Workload data:					
Cases pending July 1	303	392	[1] 305	298	303
New cases received	93	109	92	130	135
Cases terminated	104	98	99	125	130
Cases pending June 30	292	303	298	303	308
Man-years, attorneys	13.7	14.4	14.9	17	17

[1] Adjusted figure.

An increase in patent litigation can be expected during 1963 and 1964 because during these years the military services, NASA, and the Atomic Energy Commission will be procuring greater amounts of more complicated equipment than they have been procuring in past years. Our experience shows that over the years the number of patent suits remains roughly proportional to the amounts and type of equipment procured. Even if the anticipated increase does not materialize, it will be necessary to assign 17 attorneys to the Patent Section in order to handle the present workload and speed up the disposition of interest-bearing cases.

Of the 298 cases pending on July 1, 1962, 73 are suits in the Court of Claims which seek just compensation for alleged patent infringement by the United States. The ad damnum clauses of 14 of these complaints allege compensation in the amount of $173,279,000. In the other 59 cases no specific amount is stated, but it is conservatively estimated that the amount involved aggregates $92,920,000. It is fair to assume that paintiffs will be successful in some of these cases and that interest will be awarded as part of just compensation from the date suit was filed. Over the past 3 years such judgments against the United States have aggregated about $3 million, plus an additional $348,402 in interest. Thus, each year that can be cut off the pendency of a patent infringement suit will mean many thousands of dollars saved in interest payments.

Torts section

	Actual			Estimated	
	1960	1961	1962	1963	1964
Workload data:					
Cases pending July 1	2,256	2,103	[1] 2,542	2,445	3,445
New cases received	1,339	1,429	2,048	2,500	2,600
Cases terminated	1,492	1,308	2,145	1,500	1,600
Cases pending June 30	2,103	2,224	2,445	3,445	4,445
Man-years, attorneys	17.6	18.9	16	18	24

[1] Adjusted figure due to transfer of cases among sections.

For the fiscal year 1964, six additional legal positions are requested for the Torts Section for the following reasons: New cases are expected to increase at a higher rate than in previous years and the continuing expansion of Government activity in such areas as atomic energy, jet aviation, space exploration, etc., should result in a much larger percentage of cases of extraordinary complexity. The sharp rise in recent years in the size of awards in personal injury and death cases generally will greatly increase the Government's monetary exposure in all tort actions. In the 2,092 actions against the Government pending July 1, 1960, the damages claimed aggregated $236,873,000; in the 2,353 cases pending July 1, 1962 (10 percent more), the amounts involved totalled $330,241,000 (40 percent more). Motor vehicle cases alone will probably increase by at least the same rate as in previous years, closely corresponding to the annual increase in both the numbers, and mileage covered, of Government-owned vehicles. Post Office vehicles, for example, numbered 78,509 in 1960, 81,008 in 1961, and 85,256 in 1962. Such cases will hereafter be augmented, moreover, by actions

against Government employees individually on account of their operation of privately owned vehicles on Government business; and Public Law 87–258, effective March 21, 1962, requires the Government to defend and assume liability for these matters. Motor vehicle cases should continue to represent about one-half of this section's total caseload. Two additional attorneys should be assigned to them.

In two other, and increasingly important areas, both of which require highly expert competence, Tort Section attorneys specializing in such matters will be called upon for the actual investigation, preparation, and trial of many more cases than heretofore. (1) Medical malpractice cases arising from activities of Veterans' Administration, Defense Department and Public Health Service medical facilities have increased rapidly during recent years, in common with litigation of this kind against private practitioners. On July 1, 1962, there were pending 141 such cases, in which damages sought totaled $35,991,000; in 1958, there were only 71 such cases. Steadily increasing medical services by the Government (up about 5 percent per year since 1958) foretell at least a corresponding further increase in such litigation. Admissions to Veterans' Administration hospitals alone increased steadily from 482,640 in 1958 to 561,808 in 1962. Two additional attorneys would be assigned to this work.

(2) Aviation accident cases have also increased sharply in recent years. On July 1, 1962, 342 cases were pending in which the damages sought aggregated $130 million; whereas, only 82 such cases were pending July 1, 1961. About two-thirds of the pending cases, mostly death claims, arise out of eight aircraft disasters (e.g., the Staten Island midair collision, the starling-ingestion crash of an Electra in Boston Harbor, the crash in Guam of the World Airways, Inc., plane under contract to the Government, the Arctic-Pacific air crash at Toledo involving the football team from California, and other highly publicized incidents of this kind). On account of these disasters alone, at least 200 more actions will almost surely be filed before the statute of limitations has run. A large number of suits are also expected on account of the crash of the American Airlines jetplane in Jamaica Bay in March 1962 in which 95 persons lost their lives. With respect to each one of these incidents, suits have been or will be filed in many different jurisdictions. In the interest of coordination and efficient and economical disposition, and because of the many technical and unusual legal problems involved, they will have to be handled directly by specialists of the Tort Section. The preparation and trial or other disposition of all cases arising out of any one accident of this kind would normally average approximately 2 man-years. With the rapidly increasing growth of air traffic (especially private and business aircraft), it must be expected that such litigation will continue to increase. The total number of domestic flights (excluding military) in 1960 was approximately 15 million; the Federal Aviation Agency estimates that by 1965 this will have increased to approximately 20 million. Two additional attorneys would be assigned to this area of litigation.

Appellate section

	Actual			Estimated	
	1960	1961	1962	1963	1964
Workload data:					
Cases pending July 1	210	302	300	374	424
New cases received	883	841	931	950	1,025
Cases terminated	791	843	857	900	1,025
Cases pending June 30	302	300	374	424	424
Man-years, attorneys	18.1	17	18.1	20	25

The main responsibilities of the Appellate Section are in three areas: (1) Cases in the U.S. Supreme Court, (2) cases in the Federal courts of appeals and State appellate courts, and (3) memorandums to the Solicitor General recommending for or against appeal or certiorari.

In fiscal 1962, the Supreme Court passed on 83 cases in which briefs in opposition to certiorari were prepared by attorneys of the Appellate Section. Of these, the Government prevailed in 76, or 91 percent of the cases. The Section also prepared nine briefs on the merits in Supreme Court (three of which were

argued by section attorneys) and five petitions for certiorari (two of which were granted).

During the past year a total of 270 Civil Division cases were decided on appeal by the various Federal courts of appeals and State appellate courts. Of these 158 were briefed and argued by attorneys in the Appellate Section with the Government winning 120 of them. Because of the present understaffing of this Section, the remaining cases (including a large number of cases of major significance to the Government in future litigation) were argued by U.S. attorneys' offices under very limited supervision of the Appellate Section.

During the year, the Section analyzed and researched every trial and appellate court decision adverse to the Government on Civil Division cases and prepared 474 memorandums for the Solicitor General on these matters.

For the fiscal year 1964, five additional attorneys are requested for the Appellate Section to brief and argue cases of great precedential importance to the Government which must now be delegated to the U.S. attorneys. This would be of tremendous advantage to the Government for the following reasons:

1. It would insure a uniform and consistent approach in cases in which identical or related issues are pending in several different appellate courts throughout the country and prevent the embarrassment and prejudice resulting to the Government where inconsistent positions are taken by U.S. attorneys from different districts before the same court of appeals. Coordination is virtually impossible when appeals are assigned to U.S. attorneys' offices for briefing and where, because of court-imposed deadlines, there is insufficient time for review in Washington. A sufficient staff to prepare or review and edit the briefs in appellate cases is a necessary precondition for effective coordination.

2. It would facilitate preparation of briefs in the Supreme Court. In all Civil Division cases reaching the Supreme Court, the Appellate Section is required by the Solicitor General to prepare a brief or other appropriate document. In addition, in several of these cases, the Solicitor General assigns the oral argument of certain cases in the Supreme Court to lawyers in the Appellate Section. Obviously the preparation of the Supreme Court brief would be facilitated if the same attorney had the opportunity to brief and argue the cases in the lower court. Such direct participation in the appeal in the lower court in all Civil Division cases would improve the effectiveness of the argument presented in the Supreme Court because our staff attorney would have received some judicial reaction to the merits of the various arguments and he would be in the best position to select those most likely to lead the Supreme Court to rule in favor of the Government.

3. It would insure the Government's representation in the appellate courts by lawyers specializing in appellate advocacy. When an appeal is handled by the U.S. attorney's office, the assistant to whom it is assigned usually had not had much experience before an appellate tribunal. Unlike the lawyer specializing in appellate arguments, he is not familiar with appellate practice and procedure. Accordingly, the Government is deprived of the more adequate representation available only through an experienced appellate lawyer. The size of the claims and tremendous importance of the issues involved in appellate litigation for which the Civil Division is responsible emphasizes the need for using experienced and skillful appellate lawyers in the courts of appeals.

Experience has shown that 1 appellate attorney should be able to handle an average of 10.6 cases per year in the appellate courts. If the five additional attorneys are assigned to this Section in 1964, virtually all of the appellate cases of special importance could be handled by the appellate staff in Washington.

Foreign litigation

	Actual			Estimated	
	1960	1961	1962	1963	1964
Workload data:					
Cases pending July 1	175	295	232	237	252
New cases received	159	92	117	115	115
Cases terminated	39	155	112	100	100
Cases pending June 30	295	232	237	252	267
Man-years, attorneys	1.9	2	2	2	2

The number of suits pending against the United States in foreign countries increased about 10 percent during fiscal year 1962, from 156 cases on June 30, 1961, to 170 cases on June 30, 1962. The number of suits pending on behalf of the United States decreased in the same period from 76 to 67. In the course of the fiscal year 1962, 34 suits brought on behalf of the Government abroad were terminated with a total recovery of $1,300,000 as against 27 suits in the preceding year which resulted in a recovery of only $450,000.

The proceeds of these recoveries are covered into the Treasury in full, but counsel fees and other expenses incurred in connection with these recoveries must be paid out of the allotment of the Civil Division. In cases where foreign counsel are hired on a contingent fee basis, a successful recovery may deplete the foreign counsel allotment completely. An illustration of this is furnished by a recent tort claim in Morocco where local counsel, hired on a 10 percent contingency basis, succeeded in recovering an unexpected $400,000, thereby giving rise to a $40,000 fee.

In line with the Government's policy of advancing the rule of law in world affairs, and in an effort to settle valid claims against the Government as speedily as possible, the practice of claiming sovereign immunity from suit in all proceedings instituted against the Government abroad will have to be curtailed. This policy will especially affect nonappropriated fund activities of the military services (such as post exchanges, commissaries, clubs, etc.) and labor disputes involving local employees hired by our visiting forces and by diplomatic or commercial missions. One reason for the policy shift is the recent trend in civil law countries whereby the courts deny immunity from suit to foreign governments where the activity on which they are sued is not of a clearly "governmental" nature. An additional and related reason is the patent unfairness of our Government instrumentalities determining for themselves controversies with foreign nationals they have hired. Other countries provide, as we do, some review of an employer's actions respecting pay, working conditions discharge, etc.; but where our Government hires foreign nationals, a successful immunity defense means that no review is possible. The result will be that hereafter more cases will have to be litigated on the merits—a more costly procedure than merely litigating on stipulated facts the technical legal defense of sovereign immunity.

It is the standing rule in all civil law countries that the losing party in a case which proceeds to judgment must pay not only all court costs, but also the fee of the winning party's counsel. A substantial number of the claims brought against the Government abroad, which have thus far remained uncompensated solely on the grounds of the Government's immunity from suit, ultimately have proved to be meritorious. Since we would lose such claims if the merits were reached, there will probably be a concomitant increase in counsel fees of this score. An increase of $65,000 is, therefore, requested for the payment of fees of foreign counsel.

INCREASE IN GENERAL EXPENSES

An increase of $34,300 is requested for miscellaneous services and facilities in order that the allotment for these expenses will equal the actual expenditures in 1962.

Workload

	Actual			Estimated	
	1960	1961	1962	1963	1964
Cases or matters:					
Pending beginning of year	14,303	[1] 13,632	[2] 16,399	14,719	15,924
Received	9,231	9,116	9,768	10,330	10,635
Terminated	9,898	7,945	[3] 11,448	9,125	9,480
Pending end of year	13,636	14,803	14,719	15,924	17,079

[1] Corrected figure.
[2] Adjusted to include active cases in postjudgment status.
[3] 1,208 cases closed under delegation order.

INCREASE REQUESTED

Mr. ROONEY. The allowance of this requested increase would entail the addition of 20 positions to the payroll. What have you to say about this, Mr. Guilfoyle?

Mr. GUILFOYLE. Did you ask, Mr. Chairman, to discuss the entire increase or the 20 additional positions?

Mr. ROONEY. Both, if you will.

Mr. GUILFOYLE. A total of $240,600 of the increase of $523,000 is, of course, statutory. The principal increase we are requesting is for 13 additional legal positions and 7 clerical positions. This involves salaries amounting to $129,400 and additional costs, by formula, of $53,700.

We are also requesting an increase of $34,300 to cover the higher costs of printing, communications, and other services. These increases were actually experienced in fiscal year 1962.

Finally, we are asking for an increase of $65,000 over the $25,000 we allocate in the green sheets to cover the fees of foreign counsel.

If I may comment beyond the justifications you have allowed for the record——

INCREASE IN FEES FOR FOREIGN COUNSEL

Mr. ROONEY. You are telling us what you are asking for, Mr. Guilfoyle. All this is set forth at page 14–2. What is the reason or the justification for the requested increases? For instance, the last matter you mentioned, $65,000 increase in fees for foreign counsel. Would you tell us about that?

Mr. GUILFOYLE. We approved payments of fees for foreign counsel during the past fiscal year totaling $74,200, and this litigation is increasing substantially. We now have 237 cases pending and the total amount involved is in excess of $50 million.

During the last fiscal year we actually collected over $1 million in foreign litigation. We lost two cases, and paid out $49,000 in one case, $1,100 in the other case.

On the basis of the litigation we will have during this year our fees for foreign counsel will amount to at least $90,000. We have been setting aside $25,000. We are asking for an additional $65,000, or a total of $90,000.

Mr. ROONEY. Would you give us an insight into how you figured that you need this money?

Mr. GUILFOYLE. With respect to the additional positions in the Civil Division?

Mr. ROONEY. No, with respect to the fees for foreign counsel.

Mr. GUILFOYLE. On the basis of our experience during 1962 when these fees amounted to $74,200, Mr. Chairman, plus the fact that the volume of major litigation has increased each year and we have two or three major cases coming up.

Mr. ROONEY. Is it possible that it will decrease in the coming year?

Mr. GUILFOYLE. No, sir. It is not possible that it will decrease.

Mr. ROONEY. Why not?

Mr. GUILFOYLE. We have enough cases pending plus cases we know we are going to get, including a case next year that will involve $47 million, so that we can predict rather safely.

CIMR CASE

Mr. ROONEY. What case is that?

Mr. GUILFOYLE. It is the CIMR case. If you want to know the details of that case we can supply them for the record, or Mr. Mondello can give them to you now. He has the case.

Mr. ROONEY. I want to get the outline of what this is all about.

Mr. MONDELLO. Mr. Chairman, there are any number of cases in foreign countries where the United States is sued and where the matters about which we are sued are important enough to warrant our hiring local counsel to represent us in court since we cannot appear in foreign courts ourselves. That burden we have in about 237 cases, but what has been happening to us lately is instead of the rather small cases of laborers who are hired by a PX or some entity we have with our forces overseas, the cases are getting much more complex. We had the one that we settled for $49,000, that Mr. Guilfoyle just told you about. That was one involving a half million dollar claim against the United States on the construction of an embassy building in Vienna. We did have good counsel and I think we reached a good result in the case, with a payment to him for fees of somewhat in the neighborhood of $5,000 to $6,000. The case that Mr. Guilfoyle mentioned that has a dollar tag of $47 million is a case identified by the letters CIMR which is the alphabetical description of a French corporation. Apparently the Army made arrangements with CIMR for housing in Orleans, somewhere south of Paris, back in 1956 and 1957.

We got involved in a tremendous construction contract and a maintenance contract with local French contractors in order to get housing for the Americans who must live there.

The matter is about to go into bankruptcy. My last understanding of its status was that there was put off until February 14, 1963, the actual adjudication of the court as to whether this would be a bankruptcy or not. We have about a $16 million leasehold interest in that housing affair, and unless we are adequately represented in the bankruptcy court I do not see how we can adequately protect whatever our interests are.

In addition the contractor who built the project thinks he has a claim against the United States for $2 million and that is a claim that we would like to defend against.

With these large amounts involved in a matter that is apparently of some importance to the Army, I would like to get decent counsel in France to take it on.

We have been very careful in the foreign litigation unit to see that we do not pay flat straight contingent fees. We did that only once to my knowledge in recent times and even then the contingency fee was 10 percent. We did that in a special case where we could not get a good lawyer for anything less than that. He succeeded in collecting for us about $380,000. His fee was $38,000.

I would be hopeful in the CIMR case not to pay anybody a contingency based on the fantastically, large amounts involved there.

Mr. ROONEY. In that case, was he paid the $38,000 out of the moneys for the Civil Division or was his fee deducted before the recovery was paid?

Mr. MONDELLO. No, sir. The payment was made from Civil Division appropriation dollars, not out of the recovery. It was made out of our funds.

Mr. ROONEY. Was the recovery in dollars?

Mr. MONDELLO. The recovery as I remember was in Moroccan francs, which were converted into dollars at whatever the going rate then was. It was——

Mr. ROONEY. Why was he paid in dollars rather than Moroccan francs?

Mr. MONDELLO. He was paid out of our appropriation, credited somehow to Treasury, and ultimately he was credited with francs from Treasury through a State Department disbursing officer. I do not know the details of the credits and offsets that were made.

Mr. ROONEY. In how many instances did you engage foreign counsel in fiscal year 1962?

Mr. MONDELLO. I do not think we keep the statistics on that basis. I could get them by going through each of the files we have to know which ones we picked up in 1962, but we have at the moment on our rolls working for us 37 foreign counsel in somewhat over 30 countries. I think there are 36 countries.

Mr. ROONEY. And cases in each country that they are handling?

Mr. MONDELLO. Yes.

FOREIGN COUNSEL FEES AND EXPENSES

Mr. ROONEY. Will you please insert at this point in the record the details with regard to the expenditure of these moneys in fiscal year 1961, 1962, and in the first 6 months of 1963.

(The information requested follows:)

Foreign counsel fees and expenses

	Fiscal year 1961	Fiscal year 1962	½ Fiscal year 1963
Austria	$1,269.40	$6,479.55	
Belgium	197.25		$150.00
Brazil			400.00
Canada	4,500.00	1,028.00	1,034.10
Cyprus			144.90
England	1,767.09		2,037.64
France	6,772.50	6,017.38	
Germany	2,000.75	1,570.00	792.34
Greece		97.00	
Iceland	282.77	628.96	
India	105.00		
Israel	2,968.50		
Italy	3,342.20	2,402.64	6,011.46
Japan	1,526.87	1,066.77	
Mexico	80.00	250.00	
Morocco	491.25	38,500.00	1,000.00
Netherlands		6,308.47	
Pakistan	317.70		105.00
Philippines	3,183.51	1,399.00	
Portugal	1,867.33	5,058.79	
Singapore	433.13		
Spain	664.00	2,223.50	19.55
Tanganyika		412.50	
Turkey	1,700.00	758.49	329.00
Total	33,799.75	74,201.05	12,023.99

NOTE.—The above amounts reflect actual amounts approved for payment in the years shown. The following amounts were obligated in each fiscal year: 1961, $41,655; 1962, $26,768; 1963 (6 months), $2,000.

Mr. CEDERBERG. Could I ask a question at this point, Mr. Chairman?

Mr. ROONEY. All right, Mr. Cederberg.

Mr. CEDERBERG. Is there any reimbursement to you when you work for the military or State Department in this foreign litigation?

Mr. GUILFOYLE. No; there is not.

Mr. CEDERBERG. You act as attorney for them and this is a requirement that you have to meet.

Mr. GUILFOYLE. Yes, sir.

RESPONSIBILITY FOR LITIGATION

Mr. ROONEY. That leads me to wonder who figures whether or not the Office of Legal Counsel in the State Department should handle it or turn it over to the Civil Division of Justice. Does anybody know how that works out?

Mr. MONDELLO. The Attorney General is responsible for litigation everywhere, and if it is a litigation burden we have to handle it. There is a statute——

Mr. ROONEY. That is the answer.

RATIO OF CLERKS TO LAWYERS

Tell us about these 13 additional lawyers and 7 clerks. Mr. Andretta, what do you call that area of yours, not modernization—oversimplification department?

Mr. ANDRETTA. Utilization.

Mr. ROONEY. That does not work in this instance, either, does it?

Mr. ANDRETTA. No.

Mr. ROONEY. You do not have five clerks for one lawyer, here.

Mr. ANDRETTA. This is that 1-to-2 ratio.

Mr. ROONEY. This is another exception?

Mr. ANDRETTA. This is the 1-to-2 ratio. The only place we did that was in the Tax Division where we put that system in. We put it in as a trial run.

Mr. ROONEY. You could not use that system in this Division?

Mr. ANDRETTA. I tried it but I ran into some resistance here.

Mrs. SANFORD. So, sir; it just did not work. We tried it for a month and we had a backlog of over 30 days' work as a result of the experiment.

Mr. SMITH. Thirty days in a month and you had that backlog?

Mrs. SANFORD. We had a backlog. It fell down completely.

JUSTIFICATION FOR ADDITIONAL LAWYERS AND CLERKS

Mr. ROONEY. Would you address yourself to this request for 13 additional lawyers and 7 clerks?

Mr. GUILFOYLE. Mr. Chairman, two sections of the Civil Division are principally involved. First, I would like to tell you a little bit about the new caseload situation in the Tort Section and why we are asking for six additional attorneys in that section.

Over the past few years, tort suits against the Government have been increasing gradually. But, more significant, the total amount claimed in pending tort suits has gone up in 2 years from $240 million to $394 million. The number of tort actions will increase more

rapidly in the immediate future because of Public Law 87–258, the so-called Driver's Statute, and because there is no reason to believe that essential Government activities will not continue to expand and thus bring about the results inevitable in such matters as the annual increase in the number of Government-operated vehicles.

But there is certain to be a continual, sharp increase in the total amount of money involved in tort suits, and a sharp increase in the number of suits involving enormous potential liability. The reasons for this are, first, the aviation accident cases, which are increasing; second, the malpractice cases and, third, a variety of cases in new fields involving jet planes, atomic radiation, and other new areas of Government activity.

Malpractice suits against the United States have increased from 71 cases claiming less than $13 million on July 1, 1958 to 141 cases claiming $36 million on July 1, 1962. This is consistent with the nationwide increase in the volume of medical malpractice litigation. The malpractice cases are always complex and they require highly specialized investigation and medical-legal research, and they demand an unusually large mount of attorney time in preparation for trial. Many of these cases must be handled entirely by our Tort Section, and in all malpractice cases the U.S. attorneys ask for, and they get, a great deal of assistance from start to finish.

Now, with respect to the aviation cases. Ever since the 1955 decision in the *Eastern Air Lines* case, all commercial airline crashes have given rise to a large number of tort suits against the United States. On July 1, 1961, we had 82 aviation accident cases in litigation. On July 1, 1962, there were 342 cases. As of the present time, we have 424 aviation cases pending, with damage claims in excess of $183 million.

While 78 of these cases resulted from midair collisions, crashes, and accidents involving small aircraft, most of the pending litigation is of the multiple suit and multiple jurisdiction variety. Over half the present suits arose out of eight airplane disasters.

In addition we will certainly get a great deal of litigation out of the American Airlines crash in Jamaica Bay, the recent crash of the Flying Tiger cargo plane in Hollywood, and the Eastern Airlines crash at Idlewild.

The burden of major aviation cases, and much of the work on all aviation cases, falls squarely on the Tort Section staff in Washington. All of the airline disaster cases involve suits in several judicial districts. In fact, in 1 pending case there are suits in 19 widely separated judicial districts. But, without exception, all of the aviation cases involve a complicated mass of evidence. They also present highly technical issues of fact and law in a field of tort law which is still very much in the developmental stage. So, at this time, it is important to develop uniform Government defenses to all the aviation cases, and it is absolutely essential to coordinate all the suits brought in various jurisdictions arising out of one crash.

Because of this, and because of the enormous potential liability, we think it is particularly important that we continue, and expand, our specialization in the aviation field.

As to the other main increase, we are asking for five additional attorneys for the Appellate Section. We have mentioned in our justi-

fication the increase in the volume and the importance of our appellate work. We have stressed the need for being able to insure uniform consistent positions by the Government in all appellate courts on identical or related issues. We have also mentioned the desirability and the greater effectiveness of maintaining continuity in the handling of appellate cases, which will eventually involve briefing in the Supreme Court.

But our request at this time results principally from a recognition by the Attorney General, the Deputy Attorney General, and former Assistant Attorney General Orrick, at an early date, that the Government would benefit very substantially if a larger portion of the cases could be briefed and argued by appellate specialists in the Civil Division. They recognized this because of the significance of the Division's appellate litigation and particularly because of the record of the results in the appellate cases.

At the present time a higher percentage of our appellate cases involve, directly or indirectly, millions of dollars. Many of them also have a critical impact on legislative programs and administrative actions. The majority of the decisions have a more or less substantial, continuing effect on the Government's interests and particularly on the amount of litigation brought against the Government. But because of a greatly overburdened staff in the Appellate Section for the last couple of years, we have had to assign to U.S. attorney's offices a large number of appellate cases which we should have kept here. This brings up the record of results, Mr. Chairman, and I want to make it clear that the record as to the U.S. attorneys is an overall, long-term one and does not take into account individual differences in the offices.

Over the last few years less than 65 percent of the Division's appellate cases assigned to U.S. attorney's offices have been won. The Government has won 75 percent of the cases briefed and argued by the Division's appellate lawyers. This is particularly significant in view of the fact that we retain the most important cases and the more difficult cases. In fact, we retain almost every case in which the Government has lost in the district court.

I think the growing importance of appellate litigation and the comparison of these records clearly indicates that we ought to do something about increasing the participation of our appellate section attorneys in the conduct of appellate cases. They now appear in about 55 to 60 percent. I think the Government would be much better off if this could be somewhat higher.

NUMBER OF LAWYERS PRESENTLY IN CIVIL DIVISION

Mr. ROONEY. How many lawyers do you have on the payroll now in the Civil Division?

Mr. GUILFOYLE. In the Appellate Section, sir?

Mr. ROONEY. No, in the entire Division.

Mr. GUILFOYLE. There are 198 technically on the rolls. There are 192 actually working in the Civil Division.

Mr. ANDRETTA. And eight in the field.

Mr. GUILFOYLE. There are 198 attorneys in the Civil Division on the rolls. This includes four attorneys detailed to Alien Property and

paid out of Alien Property funds, and two attorneys detailed to the Civil Rights Division but paid for the time being out of Civil Division funds.

RENT

Mr. ROONEY. This figure of $23,000 for rent, communications, and utilities—how much of that is for rent?

Mr. GUILFOYLE. This is prepared according to a formula imposed on us by GSA. Mr. Andretta can tell you why we break it down like this and why we are required to do so. I believe that, actually, $20,000 is rent.

Mr. ROONEY. That is at the rate of $1,000 a body for the 20 requested additional people.

Mr. GUILFOYLE. Mrs. Sanford has just told me that is true.

CHANGES IN WORKLOAD STATISTICS

Mr. ROONEY. What about this workload chart at 14–20? What is the reason for this change in figure under 1962 year, pending at the begining of the year? The figure you gave us a year ago was 14,803, and now it is 16,399, adjusted to include active cases in postjudgment status.

Mr. GUILFOYLE. Yes.

Mr. ROONEY. This is one of the favorite activities of the Civil Division, confusing the statistics. What is the reason for this?

Mr. GUILFOYLE. There were about 1,800 cases in postjudgment status removed from the statistics of active cases in 1957 and put below the line. They have been put back and by our note, we are attempting, Mr. Chairman, to call attention to that.

Mr. ROONEY. Why did you do it? Why do you make these changes in statistical accounting?

Mr. GUILFOYLE. I am afraid you will have to ask Mr. Orrick. First of all, the cases were moved by Assistant Attorney General Doub in 1957. They were restored by Assistant Atorney General Orrick.

Mr. ROONEY. What I am talking about occurred within the past year. When you were here a year ago you gave us the figure of 14,803. Mr. Orrick gave us that. Now the figure is 16,399.

Mrs. SANFORD. Mr. Orrick insisted on putting them back in our statistics because they were not closed cases. They were cases in which a judgment or a settlement had been entered but the collections had not been completed. They were very active and we still had to supervise them so Mr. Orrick insisted that a law suit was not over until the judgment or settlement was collected; that it was very easy to get a judgment on the record, but the collection was just as important and in many cases more difficult, so he instructed that they be put back into the workload of the Division and rather than showing it as new work, which would make your new cases received all out of balance, we adjusted the pending figure.

Mr. ROONEY. Every time we get a new assistant attorney general down there in the Civil Division, they always have different ideas on how to report their workload. There is nothing new about this. I am not going to take Mr. Orrick to task over it but when you go back over the years and start to make comparisons you find you cannot.

Mrs. SANFORD. It is almost impossible.

Mr. ROONEY. One time they take them away and another time they add.

Mr. GUILFOYLE. In this instance, sir, the difference amounts to about 1,800 cases.

Mr. ROONEY. It is 1,596 cases. That is the difference.

Mr. GUILFOYLE. When the cases were restored they amounted to 1,956.

Mr. ROONEY. It would appear that when you were here a year ago you estimated that the Civil Division would receive 9,994 cases in 1962. It now turns out, does it not, that you received 9,768?

Mr. GUILFOYLE. I think that the principal difference may be the substantial number of cases that we expected, but did not receive as a result of the *Shimer* decision. And, incidentally, a major change in our workload statistics involves a delegation of cases affected by the *Shimer* decision. We no longer have to handle these cases in the Civil Division. The U.S. attorneys may handle them completely.

Mr. ROONEY. In cases terminated we find you have changed the figures for 1962 to add 1,208 cases closed under delegation order. Why?

Mr. GUILFOYLE. Those are the special group of cases affected by the *Shimer* decision. They had to be carried by the Civil Division although were not particularly significant cases until the Supreme Court decided the *Shimer* case. Then they became——

Mr. ROONEY. Then you called them cases terminated?

Mr. GUILFOYLE. We are labeling them as such, Mr. Chairman. I means we are labeling them as cases closed under a delegation order.

OTHER SERVICES

Mr. ROONEY. What is this item of $10,300 entitled "Other services" at page 14–2?

Mr. GUILFOYLE. That is almost 90 percent reporting. Our trial hours went up.

Mr. ROONEY. Mr. Bow?

TAFT-HARTLEY CASES

Mr. BOW. Does your Division handle the Taft-Hartley cases?

Mr. GUILFOYLE. Yes, it does.

Mr. BOW. How many did you have in the present fiscal year?

Mr. GUILFOYLE. I will get that for you.

Mr. BOW. Will you get it for me for the last 5 years for your Division, please?

Mr. GUILFOYLE. Yes. In fact, I do have it in my office.

(The information requested follows:)

TAFT-HARTLEY CASES FOR THE LAST 5 YEARS

United States v. *International Longshoremen's Asso.*, filed 1959.
United States v. *United Steelworkers*, filed 1959.
United States v. *National Maritime Union*, filed 1961.
United States v. *Seafarers International Union of North America*, filed 1962.
United States v. *International Asso. of Machinists (Republic Aviation)*, filed June 15, 1962.
United States v. *International Longshoremen's Asso.*, filed November 1962.
United States v. *Lockheed Aircraft Corp. et al.*, filed December 3, 1962.
United States v. *Boeing Company et al.*, filed January 25, 1963.

LACK OF JUSTIFICATION FOR INCREASES

Mr. Bow. I have sat through these hearings in these areas of increases and I have not been impressed with the testimony thus far or the request for increases. From the testimony that has been submitted it seems to me——

Mr. ANDRETTA. I think you will find them in the justifications, Mr. Bow.

Mr. Bow. The justifications are simply a request and there does not appear to be substantial reason for these.

Mr. ANDRETTA. They set forth the reasons for the increases.

Mr. ROONEY. If the witness does not go into it you know the human reaction of the people on this side of the table.

Mr. ANDRETTA. I understand.

Mr. GUILFOYLE. Mr. Chairman, the time element was a serious consideration here.

Mr. Bow. As far as I am concerned I am willing to spend all the time necessary to hear proper testimony on your needs. It just seems to me that this year of all years we have got to have some pretty firm and definite testimony on increases.

Mr. GUILFOYLE. In what respect do you feel it is lacking, sir?

Mr. Bow. I just do not have any real basis to increase. We have given substantial increases over the years. You have gone up in this Division now according to this record 359 jobs in 1962 and you are asking for 388 in 1964. The President has indicated we have got to absorb Federal raises. He has indicated we have to exercise economies in personnel. He has made many other statements. I just do not find it being carried out.

Mr. GUILFOYLE. I think it is rather false economy not to represent the Government adequately in major litigation and to suffer the loss of millions of dollars for the lack of a few thousand dollars to hire some attorneys to do the jobs properly.

Mr. Bow. If you can prove to me that that is necessary and bring in the testimony and evidence to show this, it would be the result of not hiring additional employees, I would then be impressed but as yet I have not heard any such testimony.

That is all, Mr. Chairman.

VARIANCES IN PAY FIGURES IN JUSTIFICATIONS

Mr. ROONEY. I am curious to know why it is at page 14–2 you set forth 13 legal positions, GS–12 at $9,485. Where did you get that figure of $9,485?

Mr. GUILFOYLE. That is the figure for GS–12, beginning last October.

Mr. ROONEY. That is not my understanding. We had requests for GS–12's and GS–5's in the Civil Rights Division and the figures were different for GS–12's.

Mrs. SANFORD. $9,475.

Mr. ROONEY. How do we get $9,485?

Mr. BROWN. That is the actual pay, Mr. Chairman, under the formula fixed by the 1945 pay act. It actually works out to that by rounding out the cents at the hourly level. It comes to $10 more on an annual basis.

Mr. ROONEY. Why didn't you do the same thing in the Civil Rights Division, page 18–3? We find two attorneys at $9,475. The same sort of thing prevails with regard to the GS–5 clerks. You do not have the correct figure there, either.

Mr. BROWN. They slipped up in that case and did not put the actual figure in.

Mr. ROONEY. Are you saying now that the Civil Division figure is the correct one and not the other one?

Mr. BROWN. Yes, sir; that is right. This is the actual annual pay.

Mr. ROONEY. Why do you have regular pay above 52-week base in this budget at $28,000?

Mr. BROWN. That is for the number of workdays in excess of 260.

Mr. ROONEY. Why don't we follow the schedule that we have here in the committee print, which indicates for a grade 12, as of October 1962, $9,475?

Mr. BROWN. They are the rates prescribed in the statute, but in figuring the biweekly pay, the formula provides for rounding up these odd cents at the hourly level so that it comes out actually in some cases anywhere up to $20 more than the statutory rate of pay.

Mr. ANDRETTA. The GAO, in developing pay tables, round off cents. It is possible to get as much as $20 more than the actual classification rate.

Mr. ROONEY. This is a new one on me. This could run into a large amount of the taxpayers' money.

Mr. BOW. That probably was figured out by that management-improvement group down there.

Mr. BROWN. No, sir. This is generally applicable throughout the Government.

Mr. ANDRETTA. GAO sets up the pay tables.

OFFICE OF ALIEN PROPERTY

WITNESSES

J. D. GUILFOYLE, ACTING ASSISTANT ATTORNEY, CIVIL DIVISION GENERAL
ANTHONY L. MONDELLO, CHIEF OF OFFICE OF ALIEN PROPERTY
MRS. A. N. SANFORD, ADMINISTRATIVE OFFICER
S. A. ANDRETTA, ADMINISTRATIVE ASSISTANT ATTORNEY GENERAL

Object classification

[In thousands of dollars]

		1962 actual	1963 estimate	1964 estimate
11	Personnel compensation:			
	Permanent positions	403	430	555
	Positions other than permanent	31	66	90
	Other personnel compensation			4
	Total personnel compensation	434	496	649
12	Personnel benefits	29	30	41
21	Travel and transportation of persons	14	25	25
23	Rent, communications, and utilities	27	35	48
24	Printing and reproduction	10	20	20
25	Other services	68	75	75
26	Supplies and materials		3	4
31	Equipment	3	6	12
	Total obligations	585	690	874

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions	48	48	61
Full-time equivalent of other positions	2	7	9
Average number of all employees	50	55	69
Number of employees at end of year	41	46	59
Average GS grade	9.4	9.5	9.5
Average GS salary	$8,441	$9,201	$9,049

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities: Management and liquidation (costs—obligations)	585	690	874
Financing: Unobligated balance lapsing	105		
Limitation	690	690	874

Mr. ROONEY. The Civil Division will also give testimony with regard to the Office of Alien Property. This item is to be found beginning at page 81 of the committee print and under tab 32–1 of the justifications.

The request is in the amount $874,000, which would be an increase of $184,000 over the appropriations in the present fiscal year.

We shall at this point insert in the record pages 32–1 through 32–34 of these justifications.

(The pages follow:)

Office of Alien Property

Limitation, 1963	$690,000
Estimate, 1964	874,000
Increase	184,000

ESTIMATE OF REQUIREMENTS FOR 1964

The following estimates of requirements for 1964 include the impact of Public Law 87–846 and Public Law 87–861 upon the program and activities of this Office. These acts amend the War Claims Act of 1948, as amended, by providing, among other things, for the sale of the Attorney General's controlling interest in General Aniline & Film Corp., the divesting of certain vested interests in estates and trusts, and the divesting of copyrights and trademarks currently controlled by the Office of Alien Property.

Amount requested

It is estimated that the operation of the Office of Alien Property and related functions will require an authorization of 874,000 for the fiscal year 1964. This is an increase of $184,000 over the amount authorized for 1963.

The increase is based upon the judgment that the Office's affairs are at a critical point where the expenditure of a somewhat greater effort than recent authorizations allowed will materially hasten the completion of its functions. It is expected that with the increase the Office will, by the end of fiscal year 1965 (1) terminate the business and property liquidation functions of the Office, i.e., the conversion of assets to cash, (2) terminate its claims-processing functions, (3) terminate its intercustodial disputes functions, and (4) terminate most of its litigation functions. In short, all that will remain at the end of fiscal year 1965 will be (1) so little litigation in State courts and Federal district courts that it can be absorbed by the General Litigation Section of the Civil Division, (2) the litigation involving General Aniline & Film Corp., and (3) those aspects of the foreign funds control and iron curtain country asset claims which

must await political resolution through arrangements to be made by the State Department. This last function can be completed by one or two experienced attorneys within 2 years after the State Department negotiates appropriate agreements.

The increase will provide for the following additional positions: Six attorneys, two property liquidators, one records clerk and four stenographers.

Present organization

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 the authorities, rights, privileges, powers, duties and functions previously conducted, handled or supervised by the Assistant Attorney General, Office of Alien Property, or the Director, Office of Alien Property. There was then established in the Civil Division a new Section known as the Office of Alien Property consisting of five units supervised by a Section Chief. All of the duties and responsibilities of the former Office of Alien Property were assigned to this Section except that responsibility for handling Alien Property appellate proceedings was assigned to the Appellate Section of the Civil Division. For the first year responsibility for handling alien property litigation in the Federal district courts was assigned to the General Litigation Section of the Civil Division, but in October 1962, that responsibility was returned to the Office of Alien Property. The expense of handling all of the district court litigation should continue to be paid out of the alien property funds.

PROGRAM AND PERFORMANCE

The Office of Alien Property takes care of the Government's interests in wartime measures relating to alien property. The expense of handling litigation, claims, property liquidation and accounting and auditing functions pertaining to vested property will continue to be financed from the alien property fund. Actual and predicted workloads are reflected by the following tables:

Caseload

	Actual		Estimate	
	1961	1962	1963	1964
Claims:				
Pending, beginning of year	[1] 1,426	1,150	952	717
Received or reopened	15	115	90	----------
Terminated	291	313	325	249
Pending, end of year	[1] 1,150	952	717	468
Litigation:				
Pending, beginning of year	210	182	181	126
Received or reopened	55	27	20	5
Terminated	83	28	75	80
Pending, end of year	182	181	126	51
Property being liquidated:				
Pending, beginning of year	1,011	851	749	600
Received	37	157	79	42
Terminated	197	259	228	153
Pending, end of year	851	749	600	489
Amount collected	$3,635,047	$1,160,642	$1,485,000	$1,055,000

[1] Excludes 1,840 intervenor claims in I. G. Chemie litigation.

EXPLANATION OF ESTIMATE BY ACTIVITY

1. Office of the Deputy Director

The Deputy Director performs the statutory functions delegated to him by the Director. These include authorizing the sale of property, accepting or rejecting bids, submitted for the sale of property, approving orders for the sale of securities, issuing licenses, hearing appeals from decisions of the hearing examiner, allowing, disallowing or dismissing claims (title claims or debt claims), determining questions of national interest, implementing foreign funds control, negotiating and settling intercustodial conflicts pursuant to Public Law 857 (81st Cong.), and preparing legislation and reports on legislation pertaining to the Office of Alien Property.

The duties of this Office in 1964 will require one attorney in addition to the Deputy Director, but as is indicated below, the burdens of the Office are such that the work will continue beyond 1964.

The following specific function of the Deputy Director's Office require significant expenditures of effort as indicated below:

Foreign funds control.—This is 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 disposition about 630 blocked accounts containing formerly vested funds totaling $870,000 respecting Hungary, Rumania, Bulgaria, Czechoslovakia, Latvia, Lithuania, Estonia, and East Germany. Other custodians (banks, corporations, trustees, county treasuries) hold millions of dollars in funds and property in many blocked accounts 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. It is difficult to obtain the necessary proof because the claimants are behind the Iron Curtain and communications are obstructed.

For example, although Rumania was unblocked in April 1960, Treasury still holds 131 Rumanian accounts, only 106 having been released in full to date. 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. The divestment of contingent interests in estates and trusts and of copyrights and trademarks required by the recently enacted Public Laws 87–846 and 87–861 will result in some payments into blocked accounts and will increase the effort required to service such accounts. It is expected also to increase substantially the amount of licensing activity. The administration of this program will take about 150 man-days per fiscal year until all of the remaining countries are unblocked and their property released.

Intercustodial disputes with foreign countries.—Under agreements made with 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. The negotiations with representatives of foreign countries are necessarily meticulous and customarily prolonged, but do result in relatively, simple settlements. The alternative, arbitration or conciliation under article 35, part VI of the Brussels Agreement (signed by all the above countries except Norway), presents all of the problems of extremely protracted multilingual litigation and should be avoided. The entire program may require 350 man-days to conclude, a portion of which effort will have to be expended in 1964.

Patent contract matters (100 man-days).—These matters involve possible infringement of royalty-bearing patent agreements vested by OAP. The voluminous files in each of 10 such matters must be analyzed to determine (with patent lawyer consultation) whether the agreements were in fact violated, and the amounts due the Government. Both issues are disputed, and the cases may be appropriate for setlement. If they cannot be settled they will become part of the burden of the Litigation Unit for recovery under section 17 of the Trading With the Enemy Act.

Annual report.—An unusually extensive annual report for submission by the President to Congress is prepared by the Deputy Director's Office from information obtained from all of the units in the OAP Section. Its preparation requires about 10 man-days of effort each fiscal year.

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. Additional amendatory legislation will probably be drafted to permit quicker liquidation of OAP activities. An increase in private bills is expected as a result of disappointments of many claimants who

did not obtain any satisfactory relief under the recent legislation. It is estimated that legislative efforts will require 40 man-days.

Claims and orders.—The procedure for handling claims is described below under the Claims Unit. Each claim ultimately comes before the Deputy Director for allowance or rejection after his decision on all questions of law or fact in issue. He performs functions similar to those of a judge, and he must review records of hearings, reports of investigation, briefs of the claimant and the Claims Unit, and applicable case and statute law. His decision is final with respect to certain claims, and is a recommended decision with respect to so-called excepted claims which are reviewed by the Director and/or the Attorney General. The Deputy Director also issues divesting orders in matters similar to the handling of claims allowances. About 250 claims and orders will probably be processed to decision during 1964. This work represents a continuing burden until the claims program is terminated, and over the years it has constituted the most substantial single drain on the time of the Deputy Director. It is estimated that 250 man-days will be required on such work in 1964.

Miscellaneous.—If General Aniline & Film Corp. is sold during 1964, the Deputy Director, who is a director of the corporation, may act as liaison between the corporation and OAP which will administer the sale for the Attorney General. Other members of the OAP staff will probably have to devote 150 man-days of effort to various aspects of such a sale.

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 the Trading With the Enemy Act, as amended, and the International Claims Settlement Act, as amended, 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 required upon which a conclusion may be properly predicted as to the allowance or disallowance of the claim. This analysis usually requires a prolonged and detailed study of numerous documents including but not restricted to patent, copyright, and royalty contracts, corporate records, deeds of trust, wills, reports relating to foreign funds, immigration matters, etc. It is frequently necessary to obtain and analyze various foreign records and documents.

After review and analysis of these records a tentative decision to allow or disallow the claim is made. This decision must be processed by the preparation of various documents as required by established rules of procedure. Such documents are the basis upon which the Director or the Deputy Director acts to allow or disallow the claim.

In some circumstances the claim is referred to a hearing examiner to receive evidence presented by the claimant and by the staff attorney. When such procedure is followed the staff attorney is required to prepare the usual findings of fact and legal argument in support of the position taken by this unit, and the work to be performed is identical to the handling of court litigation.

On July 1, 1962, there were pending 556 title claims, 284 debt claims and 112 applications for divestment of satellite (Iron Curtain countries) property, or a total of 951 claims. Subsequently 84 new satellite accounts were opened. By October 22, 1962, the total had been reduced to 896. All of these claims are "workable" with the exception of 176 Iron Curtain country claims which may not now be reviewed because of the provisions of Treasury Circular 655 and/or enunciated State Department policy.

In addition to the above claims there are assigned to the Claims Unit 1,229 Jewish Restitution Successor Organization (JRSO) title claims which, because of the provisions of section 204 of Public Law 846, must be held in status quo until the Foreign Claims Settlement Commission acts. The statute required OAP to cover into the Treasury for deposit into the War Claims Fund the amount of $500,000 which is to be paid by the Foreign Claims Settlement Commission to

as yet undesignated charitable organizations dedicated to amelioration of the effects of persecution of the Jews by the Nazis. The $500,000 which OAP has already transferred to the war claims fund will obviate the need for handling the JRSO claims if and when the Commission's payment is accepted by the designated organization. Thereupon OAP will be discharged from further liability and these claims will be closed.

Also, in addition to the above claims, the Office of Alien Property has 1,840 Kaufman type I. G. Chemie intervenor claims. These claims were filed by shareholders of I. G. Chemie under *Kaufman* v. *Societe Internationale* (343 U.S. 156 (1952)) for the return of their interests in stock of General Aniline & Film held by I. G. Chemie prior to vesting by this Office. In that case the Supreme Court held that nonenemy stockholders in a corporation organized under the laws of a neutral country, which corporation was found to be an enemy because of majority stock ownership or control by enemies, had a right to intervene and assert their claims to assets of the corporation proportionate to their stock ownership. When they become ripe for handling, each one will require a determination whether the individual claimant was an "enemy" under section 2 of the Trading With the Enemy Act. The processing of these 1,840 claims is expected to require 1,000 man-days of effort. However, the need to process these claims depends on the result in the *I. G. Chemie* case which is not scheduled to go to trial until October 1963. It is not likely that a decision in I. G. Chemie will be reached during fiscal 1964. Therefore, no additional personnel is required for work on these claims in 1964.

Included in the 896 claims handled by the 8 attorneys in this unit are 78 so-called contested claims for $20 million, some of the largest of which are very active. Twenty of these 78 are expected to be closed in 1963. Forty of them have been processed just short of determination, and must await the outcome of related litigation because section 9 of the Trading With the Enemy Act prohibits their payment while the litigation pends. Thirteen of these 78 claims are most active. A group of 5 of these 13 claims, involving $16,400,000 may be heard by a hearing examiner. If docketed for hearing, the litigation of these claims will take the full time of one attorney for more than a year or about 275 man-days. The remaining claims in this group of 13 involve large amounts and are vigorously contested by capable opponents who may not be satisfied with the administrative determination of OAP and will seek judicial review. These claims have been documented extensively and will require months of preparation before hearing. It is estimated that the entire group of 13 claims will require 800 man-days of processing by the Claims Unit, not including the lesser but additional effort which may be required for court litigation.

Also included in the 896 pending claims are 347 copyright claims involving approximately $2 million. Many of these claims can practicably be handled by assignment to a single attorney. One group involves 162 claims filed for the return of a fund of copyright royalties totaling approximately $293,000. Under one alternative, which is becoming increasingly improbable, an estimated 60 days would be required to close these 162 claims. The second and more probable alternative will require an estimated 185 man-days to accomplish the same result. Another group of 79 claims have been asserted by composers for the return of their interests in royalty funds totaling approximately $800,000 held for the account of 85 foreign publishing houses. It is anticipated that these claims will require approximately 240 man-days. A third group of 33 related royalty claims involves a fund of $348,000 which will require an estimated 100 man-days to process. Only the largest segment, 162 of the 347 claims, is subject to judicial review and only one major court action can be anticipated. It is estimated that the processing of these 347 copyright claims will require 850 man-days.

Another significant group of 87 title claims have been filed for the return of interests in estates, partnerships, cash, and securities, among other categories of property. Some 59 of these claims may be closed in 1963 and early 1964. The remaining 28 claims cannot be processed at this time, typically because related litigation is pending. For example, one such claim for $1,200,000 involves the same banking corporation suspected in the I. G. Chemie litigation to be enemy tainted by virtue of control by the German I. G. Farben company. Another group of claims which cannot be processed currently are 176 Iron Curtain country claims. All 176 are subject to Treasury Circular No. 655 which prohibits sending Government checks to individuals residing behind the Iron Curtain.

The processing of the remaining 106 claims and 152 applications for divestment under Public Law 285 (81st Cong.) pending on October 22, 1962, is estimated to require about 300 man-days.

The divestment of vested property by Public Law 87–846 will not affect the claims program substantially. Only six claims will be closed out solely as a result of this legislation.

Following is a statistical study of the unit's workload:

	Actual		Pending Oct. 22, 1962	Estimate	
	1961	1962		1963	1964
Title claims:					
Pending beginning of year	[1] 891	[1] 717		556	366
Received or reopened	[1] 13	[1] 68		10	0
Terminated	187	229		200	200
Pending end of year	[1] 717	[1] 556	512	366	166
Debt claims:					
Pending beginning of year	312	295		284	184
Received or reopened	2	36		0	0
Terminated	19	47		100	34
Pending end of year	295	284	232	184	150
Satellite assets divesting orders:					
Pending beginning of year	223	138		112	167
Received	0	11		80	0
Terminated	85	37		25	15
Pending end of year	138	112	152	167	152
Total			896		

[1] Does not include 1,840 Kaufman-type I. G. Chemie intervenor claims which cannot be processed until completion of the I. G. Chemie litigation. Included are 4 looted securities claims.

Eight attorneys are presently assigned to this work.

3. Litigation Unit

The primary responsibility of the Litigation Unit is (1) to supervise the representation of the Attorney General's interest in general OAP litigation in the Federal district courts and in probate, estate, and trust litigation in the various State courts of first instance, and (2) to provide the staff required to handle *Societe Internationale, etc.* v. *Kennedy*, the case which was filed to recover the stock of General Aniline & Film Corp. which was vested by the Alien Property Custodian in 1942. The proceeding is also known as the *I. G. Chemie* case and/or the *Interhandel* case.

A. Estates and trusts litigation. When estates and trusts are vested the Attorney General succeeds to the rights of the former owners. Litigation is often required to determine, protect, and facilitate the liquidation of such vested interest. For example, the extent of the interest vested often can only be determined by judicial review; periodic or terminal accountings must also be judicially approved and judicial action is often necessary to require reluctant fiduciaries to file an accounting and/or make distribution of assets.

This litigation arises either by the service upon the Attorney General of a notice of hearing in a matter which was before the courts prior to vesting or by referral to this unit by the Property Liquidation Unit wherein requested assistance is solicited to effect collection of funds the Attorney General has vested.

When an appearance on behalf of the Attorney General is necessary the matter is referred to the local U.S. attorney for handling the actual courtroom work whereover such reference is practicable. Close supervision is necessary by the Litigation Unit 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, (*c*) complicated accounting problems, and (*d*) interpretation of wills or trusts instruments. In the greater number of 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 estates and trusts cases is as follows:

	Actual		Estimate	
	1961	1962	1963	1964
Judicial proceedings pending, beginning of year	125	94	107	82
Received	10	18	10	0
Terminated	41	5	35	50
Pending, end of year	94	107	82	32

Until now the workload (involving about $7 million) of the estates and trusts segment of the Litigation Unit has been handled by one attorney, but it is unlikely that the work can be efficiently handled in that manner during 1964. The reason for this conclusion lies in the finger-in-the-dike type of operation our attorney is forced to use. The single attorney handling this litigation is characteristically so enmeshed in making essentially defensive maneuvers against last minute deadlines that this notoriously slow estates litigation runs its full course. Included in the caseload are 15 major cases which have been in court for periods approximately 10 years, all of which will be scheduled for trial within the next year and one-half. The burden of work will be more than any one attorney can be expected to handle creditably for the Government. In order to move all this litigation faster, in part by such thorough advance preparation that settlement, rather than litigation, becomes the norm, one additional attorney experienced in estates cases should be assigned to it full time for several years.

Section 205 of the recently enacted Public Law 87–846 authorizes the divestment in favor of former owners of interests in trusts and estates which were not payable nor deliverable to the Attorney General, or which had not vested in possession in him, prior to December 31, 1961. This provision will reduce the caseload by no more than five cases now pending in litigation since almost all of the cases involve interests which did vest in possession or become due or payable prior to December 31, 1961. The divestments authorized by the statute will affect some of the cases in litigation by deleting from them as a concern of the Attorney General interests about which there was never any contest, such as the right to income from a life estate. The statutory provision has actually aggravated some litigation where the December 31, 1961, date represents a midpoint of liquidation activity which culminated in the termination of a trust. In one such case involving $2 million a relatively clear litigating issue has become the focus of bitter contest since passage of Public Law 87–846.

It is estimated that more than 1,000 man-days will be required to conclude this estates and trusts work, about half of this effort being expended in 1964.

B. The I. G. Chemie (Interhandel) case involves the issue of the ownership of approximately 93 percent of the stock of General Aniline & Film Corp. The stock has a book value of approximately $130 million and a market value of about $200 million. 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.

In 1949, after administrative proceedings had been exhausted, Chemie brought suit in the U.S. District Court for the District of Columbia for recovery of General Aniline & Film Corp. stock. It contends that it owns the stock in question; that it is a Swiss holding company, owned by Swiss citizens, and that it is a nonenemy within the meaning of the Trading With the Enemy Act.

The Government contends that (1) at the date of the vesting, I. G. Farben was the beneficial owner of the stock: (2) that I. G. Chemie is an enemy within the meaning of the Trading With the Enemy Act, because it traded within enemy territory during World War II; (3) that it was enemy tainted; and (4) that I. G. Chemie was part of a conspiracy with I. G. Farben to cloak the true ownership of General Aniline & Film Corp.

The Government seeks to recover by counterclaim in this suit certain taxes which it claims are due from I. G. Chemie and for the value of I. G. Chemie stock which it holds.

The case has been to the U.S. Supreme Court once on a motion to dismiss for failure to produce records in good faith, and a second time on the question of the intervention by Chemie shareholders.

In regard to discovery, the Government is still attempting to procure journal account books for examination. It also is seeking to discover books of related companies. Its efforts have been hampered by plaintiff's attempts to hide behind Swiss secrecy laws. As soon as sufficient accounting records have been made available to it the Government expects to hire an accounting firm which will analyze the records with a view toward submitting expert testimony to the court regarding what the records reveal.

In the meantime, preparation of the case is still going forward. In June 1962 a pretrial schedule was agreed to by the parties and to date this pretrial schedule has been met. The present staff includes seven attorneys and seven clerical employees.

Examination of the Sturzenegger & Cie. (a Swiss banking firm and partner of I. G. Chemie) documents produced in discovery is going forward. It is expected that when these discovery proceedings are completed, that 300,000 documents written in German will have been made available by the plaintiff.

The possibility of indexing by machine the vast number of documents on hand for use in an information retrieval system is still under study.

Under the pretrial schedule it is expected that all depositions of Government witnesses will have been completed by the end of 1962.

The importance of this case is measured principally by the fact that the outcome will determine whether or not a very important segment of the American chemical industry will be in American hands.

In addition, the case has international overtones. On two occasions Switzerland had espoused its nationals' cause and taken the case to the International Court of Justice. It can be expected that even if the United States is successful in the courts of this country, the matter will again be taken by Switzerland before the International Court of Justice. There is, of course, always the possibility that the matter may be settled by compromise.

C. Federal court litigation: As of July 1, 1962, there were 74 Trading With the Enemy Act cases pending in the Federal district and appellate courts, and 2 cases in the Court of Claims. Effective September 1, 1961, the responsibility for the district court litigation was transferred to the General Litigation Section, Civil Division, but the function has since been returned to the OAP Section which has always borne the cost of such litigation. The Court of Claims cases have been supervised by personnel of the Court of Claims Section and no costs have been charged to OAP for such work.

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 for 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 $20 million worth of property is involved in these suits.

Of the cases presently in the Federal district courts there are about 20 major active section 9(a) cases which are in all stages of preparation for trial. These cases will require the taking of depositions, obtaining production of documents, examination of these documents, preparation and argument of motions, examination of witnesses in court, attending pretrial conferences, etc. These cases are pending in various district courts throughout the country and the witnesses in many cases are scattered not only throughout the United States but are also outside the territorial limits of the country. The cases present very complex questions of law and fact, questions of importance under the Trading With the Enemy Act, and large amounts of money. They represent a great potential for absorption of attorneys' time, and they seldom are settled. One such case (von Clemm) on which time records have been maintained required 105 man-days of effort from January 1, 1962, until November 30, 1962. Already scheduled time of the attorney to whom it is assigned will require most of the next 150 working days to see the case through its scheduled trial by June 1963. The case is worth $1,400,000, involves a cloaking issue, and is most vigorously contested. Another case involving the Government of Hungary and worth $500,00 will require about 150 man-days to prepare and try. A Japanese asset cloaking case involving $240,000 is close to trial, has already required about 100 man-days, and during the course of the next year will require an equivalent expenditure of time. The value of putting an attorney full time on a few major pieces of litigation cannot be overestimated. We recently won a case for $20 million involving over 100 interlocking corporations which took 1,00 man-days since 1953 to conclude. It took the attorney 3 or 4 years of part-time work digging through

files and interrogating prospective witnesses before he discovered his first lead to evidence which ultimately so demolished our opponents' case that they did not even appeal from the district court decision in our favor. It is estimated that the major active litigation under section 9(a) of the act will require 1,250 to 1,500 man-days, assuming that not all of the cases will have to be tried. At present only two attorneys are assigned to all of the district court litigation. Three additional attorneys should be obtained to move these lagging cases along.

The remaining section 9 cases will probably not require as considerable preparation as those mentioned above. It is anticipated that some of them can be disposed of on motions to dismiss. Even in these matters it is necessary to prepare the motion, argue the Attorney General's position, prepare interrogatories, etc.

The section 17 actions in which the Attorney General is plaintiff present the same considerations. They are pending in different district courts throughout the United States and will involve nonresident and foreign witnesses whose depositions must be taken. However, no single section 17 case is regarded as a major piece of litigation and it is unlikely that more than a few such cases will require more than 25 man-days.

As of July 1, 1962, there were five cases pending in the various U.S. courts of appeals and three cases pending in the Supreme Court on petitions for certiorari. Effective September 1, 1961, the appellate cases were transferred to the Appelate Section of the Civil Division. It is believed that these cases and future appellate cases can be handled by existing personnel of that Section. The services of the Appellate Section personnel who represent the Attorney General in these matters will be charged to alien property funds.

A summary of the Federal Court litigation is as follows:

	Actual		Estimate	
	1961	1962	1963	1964
Pending beginning of year	85	88	74	44
Received	45	9	10	5
Terminated	42	23	40	30
Pending end of year	88	74	44	19

D. Potential 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. It is anticipated that eight such suits seeking in excess of $10 million will be filed within the 1 year deadline set by Congress, and that the diversely interested claimants will vigorously contest our attempts to consolidate the cases around common legal issues. Some of the factual issues are not common and depend on the individual histories of the stockholders. Unlike the other Court of Claims cases discussed above, the issues herein will be such that lawyers experienced with the Trading With the Enemy Act will be required. Each of the cases is a major piece of litigation. In the aggregate they will require about 1,000 man-days of effort if they are tried. Two additional attorneys will be required to handle the defense of these cases.

E. The requirement for a considerable amount of investigation and legal work to be performed in the European theater 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.

In performing these responsibilities, receipts advices are prepared from the checks received in the Office consisting of rents, income, or principal distributions from estates and trusts, royalties from patents and copyrights, proceeds of sales of securities, personal property, etc. These receipts are reviewed for correctness, the amounts are then posted to the accounts maintained for the vestees,

and the checks are deposited for collection with the Treasurer of the United States. Cash disbursements consisting of payments under claims, section 9(a) suits, intercustodial settlements, Federal income taxes, transfers to the war claims fund, divestings to individuals or into blocked accounts in the U.S. Treasury as well as to transfers into the Bulgarian, Hungarian, or Rumanian claims funds in the U.S. Treasury are made on the basis of vouchers which have been prepared, audited, and certified as to correctness before the checks were drawn by the Treasury disbursing officer and the charges made to the vestees' accounts. For property returned in kind to a title claimant, or to a successful litigant, a release advice is prepared describing the property being returned. The release advices serve as the basis for removing the returned property from vestees' accounts.

The Comptroller's Unit reviews all tax assessments relating to vested properties before approving them for payment, prepares Federal and State tax returns and financial statements on the vested business enterprises in liquidation as well as maintaining the accounting records for those enterprises. It conducts audits of title, debt, and administrative claims and compromise settlements in litigation cases, of accounts involved in intercustodial conflicts and of accounts to be divested or covered into the claims funds in the U.S. Treasury. It also conducts field audits of the records of patent or copyright licensees. Semiannual reports for the Treasury Department are prepared which reflect the changes in the U.S. interest in the vested property. Annual reports are also prepared for the Congress showing the administrative and nonadministrative expenses for the previous fiscal year.

The Comptroller's Unit performs OAP's final functions in the task of liquidation of the Office. In its 20-year history the Office had established about 62,000 alien accounts. As of this writing there remain about 6,900 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 29,000 of the 62,000 accounts were handled and closed in this manner, and most of the remaining 6,900 will receive this same treatment. The recent legislation which divests the Office's interest in copyrights, trademarks, and certain interests in estates and trusts will make it possible to delete these properties from about 3,000 open accounts in some of which the only other asset will be cash, thus freeing amounts payable into the war claims fund and hastening the reduction of OAP business.

Set forth below is a numerical summary of the various major functions performed by this Unit:

	Actual		Estimate	
	1961	1962	1963	1964
Accounts pending beginning of year	8,547	7,703	6,912	5,137
Received	75	5	25	25
Closed	919	796	1,800	2,000
Accounts pending end of year	7,703	6,912	5,137	3,162
Cash receipts transactions processed	1,265	1,219	800	500
(Dollars involved)	($4,590,000)	($1,646,000)	($1,900,000)	($1,000,000)
Credit and release advices processed	82	106	100	100
Vested property vouchers processed	454	236	350	300
Vesting, divesting, and amendatory orders processed	86	25	30	20
Accounts audited:				
Tital and debt claims	591	258	1,200	1,600
International Claims Settlement Act accounts	90	10	25	15
Intercustodial conflict accounts	32	16	15	2
Unclaimed accounts prior to transfer to war claims fund	268	480	1,000	1,000
Sales reports	14	0	0	0
Internal Revenue Service tax determinations reviewed and approved	316	109	200	200
Vested business enterprise book of account maintained	15	14	6	3

It is believed the workload of this Unit can be handled efficiently by the present staff consisting of four accountants.

5. Property Liquidation Unit

It is the function of the Property Liquidation Unit to collect, administer, and liquidate all property which accrues to the Attorney General by virtue of vesting action taken pursuant to the provisions of the Trading With the Enemy Act, as amended. The property vested includes interests in estates, trusts, insurance contracts, securities (stocks and bonds), business enterprises, real property, tangible personal property, debts, copyrights, patents, and trademarks.

A. 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 the function of the Unit to assure the Director that the provisions of the vesting order are complied with and that the appropriate assets are transmitted to the Attorney General. It is through the estates and trusts vestings that additional property such as securities, personalty, and real estate have continued to be received.

The divestment provisions of section 205 of Public Law 87–846 will cause an initial increase, and then a substantial decrease in the trusts and estates work of this Unit. In the single month since passage of the act, difficult correspondence concerning these matters has more than doubled that received in past months. The statute 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 and sifted against information already in OAP files. At that point each affected estate or trust must be reviewed to determine whether the interest will be retained or divested, and the named beneficiary must be screened against lists of war criminals since the statute prohibits divestment in favor of such individuals. The trusts, estates, and other interests on hand involve about 1,500 individual accounts. All of those which have received income or other property since December 31, 1961, will require analysis to determine whether any part of such funds or property is returnable to the remitter. Our efforts will be reviewed meticulously by banks, trustees, and other opponents of our interests. It is estimated that the entire divestment procedure, without consideration of efforts spent on litigation, will require 250 man-days of effort.

B. With respect to securities (stocks and bonds) which become the property of the Attorney General, it is the function of this Unit to arrange for the issuance of new certificates in proper form and to arrange for the deposit of these new securities in the Federal Reserve Bank of New York for custodial purposes. The Unit disposes of such property either through the facilities of member firms of the New York Stock Exchange (if they are susceptible of sale in this manner), or by public offering or negotiation. The Unit affects the return of all securities wherein the return is required by intercustodial agreement, claim procedure, or judicial decree.

A great deal of this securities work remains to be done. OAP assets contain various groups of securities requiring different types of efforts. One group of 185 blocks of foreign and domestic securities worth about $1,400,000 are kept for OAP by the Federal Reserve Bank of New York pending disposition; 75 of these 185 blocks are Canadian securities involved in dispute with the Government of Canada which has taken exception to audits we have made of the amounts returnable under intercustodial agreements. Each block of securities has an extensive file which must to reviewed against the Canadian claims, a task which will take one trained liquidator about 125 days. One other block of the group of 185 blocks consists of shares 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 30 days to prepare and consummate. Sale of the remaining 109 blocks of stock on the exchange, over the counter, or by negotiation will consume about 125 man-days of effort. This does not take into account the securities which will be received as distribution from estates and trusts not affected by the divestment legislation.

Another group of 500 blocks of miscellaneous securities cannot be valued short of offering them for sale. These represent 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. It may not be feasible, without legislation, to sell them all in a large odd-lot group, because of the need to record the recovered value for each block in a separate account. But even with the assistance of legislation, the task of ascertaining worth by sale or investigation prior to sale, and then selling the securities or preparing the record memorandum necessary to charge them off the accounts as valueless, will take about 250 man-days.

C. The Unit liquidates business enterprises, corporate or otherwise, wherein the Attorney General either acquires ownership of all of the stock, is the controlling stockholder, or has vested all the assets of the enterprise. The staff of the Unit serve as officers and directors of such corporations and as manager of the other enterprises, and perform all the functions necessary to complete the liquidation and dissolution of them and account to the Attorney General for his vested interest.

There are 17 such enterprises remaining to be liquidated, and it is estimated that $750,000 to $1 million will be recovered from their dissolution. Not all of the enterprises can be liquidated immediately. Five of them, for example, are involved in claims procedures or litigation. In others, the final claims of creditors, including claims of Federal, State, and municipal tax collectors, have not been approved. The tasks of terminating the existence of all 17 in accordance with OAP procedures and State law requirements will absorb about 350 man-days of effort.

In addition to the business enterprises which are being liquidated by this Unit, there are two corporations in which the Attorney General holds a substantial stock interest. The stock of one of these corporations represents the largest asset held by the Attorney General, and consists of approximately 97 percent of the capital stock of General Aniline & Film Corp., an industrial enterprise currently doing business approximating $160 million annually. The other holding is a 23-percent stock interest in a small corporation. These shares are the subject of Federal litigation.

D. The Unit administers and disposes of all real and personal property which the Attorney General acquires by vesting. As to the real estate, the Unit is required to collect rents and pay taxes and other necessary expenses incidental to the management of this type of property. The Unit also collects royalties on mineral leases. The Unit conducts and consummates the sale of all such real and personal property and prepares all the necessary documents to transfer title.

Included in OAP assets are eight parcels of real property, eight mortgages and mineral rights leases and three lots of personal property. The estimated realizable value of these 19 items is $350,000. This is a conservative estimate based on value at the time of acquisition. One lot of personalty, consisting of paintings by recognized artists, has alone been estimated to be worth $500,000. Preparation of the documentation for public offerings of such items is time consuming. The normal period for real property runs twice as much effort. It is estimated that the disposition of all 19 items will require 125 man-days. This estimate does not take into account the real estate interests which may be received as distributions from estates and thrust not affected by the divesting legislation noted above.

E. The Unit has administered vested copyrights, patents and trademarks, and issued licenses for their use. It has also serviced existing prewar contracts relating to this type of property wherein the enemy interests have been vested. The Unit has been responsible for the collection of royalties on both the licenses and prewar contracts.

The passage of Public Law 87–846 divests all copyrights, prevesting contract rights and trademarks as of January 22, 1963. There are about 250 of each of these three interests in force. Because of the divestment legislation correspondence about these interests has doubled in frequency within the past month. While divestment is, in a sense, automatic, for a period ending about May 1, 1963, much work will have to be done to conclude the program. OAP will probably have to furnish (for a fee) to the copyright holders copies of licenses OAP has issued, it may have to confirm divestment to the holders of numbered trademarks, and it may have to identify for licensees the person in whose favor divestment of copyrights is made. More importantly OAP must close its accounts with licensees who owe money for use of copyrights, and demands will be made on the basis of stated accounts. If demands are refused collection will require litigation. An estimated 120 man-days will be required to complete this work. The

Unit's copyright clerk thereafter, as now, will continue to assist the Claims Unit in the handling of the 233 pending copyright claims.

An additional related task is the disposition, pursuant to section 2 of Public Law 87–861, of more than 30 million feet of motion picture film in OAP possession. The Library of Congress must first choose the film it wants, and what it left may be destroyed by the Attorney General. Except for negotiations to be conducted by the Chief of the OAP Section or the Deputy Director, it is not believed that this task will be a drain on the time of OAP personnel.

There are several miscellaneous tasks which require effort of the liquidation Unit. There are about 50 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 700 accounts containing cash or unliquidated property which was never vested but which was turned over to the Office of 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. To accomplish this, the files for each account must be reviewed for leads to the identity and addresses of the former owners, and then there will be the task of corresponding with putative owners until each account can be disposed of. After all of the more than 300 non-German non-Japanese accounts have been closed, the remaining 400 safekeeping accounts (which are classified as German and Japanese) will be reviewed and the balances transferred to the War Claims Fund, except in those few cases where there are unresolved claims against the accounts.

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 of claims against it regarding the nature and amount of property and funds OAP actually vested. 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 definitive information. It is difficult to estimate how much effort will be spent on such matters in 1964 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. It is estimated that all of these miscellaneous tasks will require about 175 man-days in 1964.

The statistical analysis of the workload of this Unit is as follows:

	Actual		Estimate	
	1961	1962	1963	1964
Estates and trusts and insurance contracts: [1]				
Pending, beginning of year	572	508	476	351
Received	0	1	0	0
Terminated	64	33	125	250
Pending, end of year	508	476	351	101
Amount collected	$1,032,941	$674,873	$350,000	$300,000
Securities (stocks and bonds): [2]				
Pending, beginning of year	379	296	236	186
Received	35	152	25	30
Terminated	118	212	75	80
Pending, end of year	296	236	186	136
Amount collected	$747,587	$300,026	$600,000	$300,000
Business enterprises: [3]				
Pending beginning of year	27	23	18	9
Received	0	0	0	0
Terminated	4	5	9	5
Pending, end of year	23	18	9	4
Amount collected	$1,732,716	$183,034	$85,000	$135,000
Real and personal property: [4]				
Pending, beginning of year	33	24	19	14
Received	2	4	4	2
Terminated	11	9	9	8
Pending, end of year	24	19	14	8
Amount collected	$121,803	$2,709	$100,000	$20,000
Copyright interests:				
Pre-war contracts: [5]				
In force beginning of year	392	390	387	150
Received	0	0	0	0
Terminated	2	3	237	150
In force end of year	390	387	150	0
Amount collected	$69,226	$62,187	$30,000	$25,000
Licenses issued after vesting: [6]				
In force beginning of year	438	422	409	259
(Applications received)	(51)	(96)	(50)	(0)
Licenses issued	5	12	40	0
Terminated	21	25	150	259
In force end of year	422	409	259	0
Amount collected	$18,070	$33,308	$20,000	$5,000

[1] Each estate or trust is 1 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.
[6] Licenses issued by this office for use of a copyright interest on property previously vested.

The Unit is inadequately staffed. Its three business analysts and one attorney would take too many years to complete its work. A key experienced liquidator whose talents should be used to train additional employees in this work (which is crucial to the ultimate liquidation of OAP) is now 66 years old and can be expected to retire before too long. The problem is urgent and two additional experienced business analysts should be hired without delay.

6. Miscellaneous

A. Hearing examiner: Efforts to resolve unusual or difficult questions of law and fact have been referred to a hearing examiner for the purpose of receiving evidence and the presentation of adversary arguments. Rules of Procedure for Claims, 8 CFR section 502, establishes the procedure for submitting claims to a hearing examiner.

As of July 1, 1961 there were two hearing examiners on the staff for the purpose of conducting such hearings. During 1962 this staff was reduced to one. In order that the Department may be able to satisfy the procedure requirement it will be necessary to continue to maintain one hearing examiner on its staff. It is believed that this one hearing examiner can perform all the work required by these rules.

A statistical summary of the claims processed by the hearing examiners is as follows:

	Actual		Estimate	
	1961	1962	1963	1964
Pending beginning of year	15	2	3	5
Received	3	3	5	3
Terminated	16	2	3	5
Pending end of year	2	3	5	3

B. Records: One of the housekeeping chores which has been neglected in recent years is the retirement of OAP records which are no longer required for frequent reference. The office maintains about 550 four- and five-draw file cabinets full of material in tempo building R on the Mall. These files are used relatively infrequently, i.e., not more than three or four times a month. In addition at its main office in the HOLC building OAP has 125 four-draw cabinets and 315 five-draw cabinets full of files. The files on open matters constitute about half of the material stored in the HOLC Building. The volume of correspondence is such that the two clerk-typist mail clerks and the two file clerks who work for the office are busy full time on current matters. What is needed to reclaim for better use about 50 percent of the space now used for files is a screening of the files in the HOLC Building in order to retire or destroy material which is not needed on a current basis. Because of certain peculiarities of the workload the descriptions "current work" and "closed work" are not mutually exclusive. OAP personnel are poorly housed and the cramped quarters have some effect on morale. From the standpoint of both efficiency and morale, the screening operation should be conducted. It is estimated that it will require one clerk 200 to 250 man-days to accomplish this task.

The request would entail the addition of 13 persons to the payroll. What about this?

ADDITIONAL PERSONNEL REQUIREMENTS

Mr. GUILFOYLE. These 13 positions would include 6 attorneys, 2 property liquidators, 1 records clerk and 4 stenographers. Two attorneys would be exclusively assigned to new litigation authorized by Public Law 87–846, enacted October 22, 1962, which we anticipate will be brought by next October 22. After that time it is barred. Three additional attorneys are needed to handle major litigation which at the moment is lying dormant because we simply cannot reach it for action.

Several months ago I asked Mr. Mondello to make a complete reevaluation of all the work yet to be done by the Office of Alien Property. He made a very detailed study which was presented to me, to the Deputy Attorney General and the Attorney General. The study was influenced by our desire to terminate all of the affairs of the Office as soon as possible and in the proper order.

You will notice that in our justification each of the significant jobs of the Office which must be done to complete the work of the Office are described in some detail. We have added to the description in each case our estimate of how many man-days will be required to complete the work.

The additional personnel we are asking for will permit some flexibility in reallocating work which——

RELATIONSHIP OF REQUESTED ADDITIONAL PERSONNEL TO DECREASING CASELOAD

Mr. ROONEY. I wonder if you would relate this to the workload table at page 32–5, which indicates that in the coming fiscal year, for which you request these 13 additional positions, the cases to be terminated will be 249 as compared with 325 in the current year, with 13 less employees and in which year, to wit, 1964, you expect to receive or reopen no cases as compared with 90 in the current year.

Mr. GUILFOYLE. We are talking about, with this increase, winding up the Alien Property Office entirely in 2 fiscal years. I would like to have Mr. Mondello tell you in some detail just what his study is based upon and just what has convinced us that he will be able to do this in the next 2 fiscal years.

Mr. ROONEY. While this is not the American taxpayers' money, I think it no more than right to inquire into it because, on the face of it, it looks as though you will have enough people there who will have much less work or no work to do in the coming year who could be used in the closing out of the program. I wonder if we could get some information on this.

Mr. GUILFOYLE. I am afraid I do not understand your question, sir. We won't have any people there who will not be working full time next year, under the present or under the increased program for Alien Property.

Mr. ROONEY. Again, I ask you to gibe that very statement with page 32–5, where you are not going to receive or reopen any cases in the coming year, and you are going to terminate but 249 as compared to 325 in the present year.

Mr. GUILFOYLE. We are referring only to administrative claims at that point.

Mr. ROONEY. About the same thing would apply to litigation and about the same would apply to property being liquidated, at page 32–6; is that correct?

Mr. GUILFOYLE. That is right.

Mr. ROONEY. How do you jibe these figures with this request for 13 additional people?

Mr. MONDELLO. Mr. Chairman, the estimates we have made here for 1963 and 1964 I would like to suggest first are being borne out by what I see going over my desk every day. I have been assigned over there to Alien Property. I am one of the four persons, Mr. Guilfoyle told you about assigned to that role now.

Some of these claims, if you will look at the items on 32–5, some of these claims simply are more difficult to handle than others, and they die an awful lot harder. Some of them we know, since they involve people who are in foreign countries, and in some cases behind the Iron Curtain, it is very difficult for American and other claimants to come by the information that they need in order to prove that they are entitled to a return of money, or perhaps even that they are the ones who owned the money that we vested, or the funds, property, whatever it may be. It would be unfair to change the rules now and cut these people off without affording them the same opportunity that the office has afforded all of the claimants for the last 20 years.

Moreover, we are bound by regulations to treat these claims in a certain manner and I take it it is my duty to see that we treat them regularly, but get rid of them just as fast as we can.

It was with that in mind that I have looked at everything that is going on in that office, and I am currently responsible for it.

Mr. ROONEY. Mr. Mondello, how do you compare that with the reduction in workload that you show as anticipated at page 32–5?

Mr. MONDELLO. There is just a certain amount of work that has to be done. We know some of it is going to hang on a little bit longer than the other that we can close out now. We are currently closing claims as fast as we can, but we know that if we keep only the same number of people we have handling these things, the claims, litigation, and the property liquidation, we simply will not be able to finish the job within the next 3 or 4 years. We have asked for more people because the work is there to do. Let me give you a specific example. In the liquidation unit that we have, I have just two people working the routines that go on in that office. They are responsible for converting to cash all of the assets that we have on hand that are not cash. One of those men is faced with selling blocks of securities by virtue of an agreement with Canada. It is a very complex affair relating to 75 separate blocks. It takes a certain amount of reading through files to find out how we came by the securities, who they belong to, who is entitled to the income, and who is entitled to the funds after we convert the security to cash.

We first have to get clearance from Canada to be sure that, pursuant to the agreement, we are free to sell the security. Then we have to arrange through a brokerage house to sell it, and the mere going through this process for that one man means that it is going to take him on the average of 2 days, 2 working days, to sell each separate block of securities.

He has got that work to do. Meanwhile he is trying to sell real estate that we own out in Oregon, and he has a great variety of personal and real property that we have to reduce to cash before we can put it into the War Claims Fund.

The mere process of running all of this property through the sales procedures and to do that regularly so that none of the claimants to the property can complain that we sold it at too low a price, or did something else that they have legitimate reason to complain about. We have to do it properly and it simply takes that much time.

If I ran out the amount of work in the liquidation unit alone, which is not done by lawyers, by the way—these are property liquidators, business analysts, and the two I have are very experienced—it would probably take 5 or 6 years to simply sell off all of the property.

I do not think the agency need exist for that long, and what I am suggesting is that we get two additional liquidators so that we can get that work done more quickly. Once it is done we can then send the cash over to the war claims fund of the Treasury where it will be available for the war claims program.

At the same time, while we are free to sell some of this property and convert it to cash, we have to keep it in our open accounts—and there it must stay without going to the War Claims Fund—until all the claims that might affect that account or all the litigation that might affect that account are completed. There are many accounts I cannot

close because of the pendency of related cases that I want moved, but which my attorneys cannot move because they are busy handling other cases.

CONTINUATION OF SAME PROCEDURES

Mr. ROONEY. With regard to all this, Mr. Mondello, is there anything new about it? Isn't this what has been going on for years? Isn't this the procedure over all the years?

Mr. MONDELLO. We are now following pretty much the same procedures that the office had been following.

Mr. ROONEY. The same procedure?

Mr. MONDELLO. Yes.

LACK OF DETAIL IN JUSTIFICATIONS

Mr. ROONEY. Do you want to let the record stand on what we have in it up to now? I have not heard any justification for this. You do not even have a breakdown of the $184,000 additional requested in these justifications unless I have missed the boat.

Mr. MONDELLO. It is in our statement of justification, Mr. Chairman. With respect to each of the units in the office——

Mr. ROONEY. Where do we find it?

Mr. BROWN. Mr. Chairman, there is some detail in the blue book on page 30.

Mr. ROONEY. Are you saying that there is no detail in these justifications? Are you substantiating what I just said?

Mr. BROWN. Yes, sir; that is right. The details are in the blue book.

Mr. BOW. We would have to take the blue book to the floor of the House so that Members of Congress may understand what we are trying to put over on them.

Mr. ROONEY. What page?

Mr. MONDELLO. Twenty-nine and thirty.

Mr. ROONEY. There isn't very much detail here is there, Mr. Brown?

Mr. BROWN. No, sir.

Mr. ROONEY. You do not even indicate how many additional employees in this blue book.

Mr. ANDRETTA. Yes.

Mr. ROONEY. Yes, page 13. There is no indication of their grades or annual salary; is that correct?

Mr. BROWN. That is right.

Mr. ROONEY. Again, you have $13,000 for rent at the rate of $1,000 a body.

Mr. MONDELLO. Mr. Chairman, in the narrative at page 32–16, for example, the final sentence states that:

> In order to move that litigation faster one additional attorney, experienced in estate cases, should be assigned to it full time for several years.

That is the last sentence on the page. Similarly where we were talking about—no, it does not give the detail.

Mr. ROONEY. It does not indicate any detail. Where is it in the green sheets?

Mr. ANDRETTTA. It is in the green sheets.

Mr. ROONEY. Where? Page 32–4 does not help us at all.

Mrs. SANFORD. There are some in the back unnumbered.

Mr. ROONEY. That is the only green sheet I have, 32–4. I do not know whether you approached this thing on the basis that because it is not in dollars we should just go ahead and approve it. That has been the practice over the years but I am appalled by this presentation this morning. Up to now, and I think Mr. Bow will agree with me, there has been no justification presented that would reasonably induce us to grant this request for $184,000.

Mr. BOW. I agree with that.

Mr. ROONEY. None whatever.

On the other hand, you present a case which would indicate you should not get it because of pages 32–5 and 32–6.

Mr. GUILFOYLE. In what respect, Mr. Chairman, as to 32–5 and 32–6?

Mr. ROONEY. Let me see if I can help you, Mr. Guilfoyle.

At page 32–5, with regard to claims, you do not expect to receive or reopen any in the coming fiscal year, but you want 13 additional employees in the coming year. You expect to terminate 229 cases with 13 additional employees in 1964, whereas you estimate you will terminate 325 in 1963. If you take property being liquidated you expect to collect in 1964, $1,055,000 as compared with $1,485,000 in the current year with 13 less employees than you propose in 1964.

If my memory serves me right, you had the same appropriation in 1962 and 1963, $690,000? With an appropriation of $755,000 in 1961, there was collected $3.6 million.

Mr. MONDELLO. Mr. Chairman, the collection figures on the property being liquidated do not have anything to do with the amount of work we do with that property. It is a fact that the truss and esates that are still in litigation and from which we collect money are dying out.

Mr. ROONEY. We thoroughly realize that, but we have to take these workload charts and use them as some indication of what is going on.

Taking your pages 32–5 and 32–6 and the testimony we have heard up to now, I do not think you have justified any money except a possible reduction in 1964. If you want to add anything we will sit here and listen to it.

Mr. MONDELLO. I think the principal thing is, Mr. Chairman, that——

Mr. ROONEY. I think the principal thing is that we should have Mr. Myron here.

Mr. MONDELLO. Mr. Myron has helped us quite a bit in getting this information together.

Mr. ROONEY. Do not make such a charge against him.

Mr. MONDELLO. What we are really dealing with in the Alien Property Office is how long this work is going to stretch out. There is a certain amount of work that has to be done, and if we do too little in any 1 year or the next it will take 5 years to close out.

Mr. ROONEY. Please tell us what has to be done beyond your recitation of a while ago. Please tell us what has been done over all the years in connection with these alien property matters, and what will be done differently in 1964? Tell us what new activities in 1964 you have never had up to now.

Mr. GUILFOYLE. There will be nothing entirely new, Mr. Chairman. There will just be a faster rate of handling so that at the end of 2

years we can take over some litigation into the Civil Division and wash out the alien property operation entirely.

Mr. ROONEY. We heard this same thing when Mr.—or rather Colonel Townsend was the head of it.

Mr. GUILFOYLE. I know that is what we are up against. I know that it has a familiar ring, but we think we can do it.

Mr. ROONEY. I do not know what to say to you at this point. I have gone along with this Office over all of the years, having been attracted by the fact that we were using the funds from the vested assets of the Alien Property Custodian, but this is an awful presentation.

Will you agree with me, Mr. Andretta?

Mr. ANDRETTA. What?

Mr. ROONEY. My conclusion?

Mr. ANDRETTA. What is the conclusion?

Mr. ROONEY. That they should have less money in the coming year rather than more money.

Mr. ANDRETTA. If the program of winding it up is as you talk about, then it would seem so; yes. They have taken a hard look at it. They discovered that at the present rate of washing it down to the present level, it is going to take 5 or 6 years. Now they want to wind it up in a couple of years and to do that you need more bodies in there to clean this stuff up in a hurry. You accelerate the whole program.

Mr. Bow. May I ask a question?

Mr. ROONEY. Yes.

TRANSFER OF OPERATIONS TO CIVIL DIVISION

Mr. Bow. You say you anticipate washing this up in 2 years and then transferring it over to the Civil Division to take care of the cases, the things that come along? Is that what you just said?

Mr. GUILFOYLE. A few major cases in litigation in district courts.

Mr. Bow. Would that not come out of the taxpayers' pockets rather than out of the fund?

Mr. GUILFOYLE. It would be a very small amount.

Mr. Bow. The answer is "Yes"?

Mr. GUILFOYLE. The answer is "Yes."

Mr. Bow. You say that there are big cases that have to be carried on; in other words, instead of the fund carrying the cost, as it does now, by doing this you are going to speed it up where the taxpayers can start picking up the bill?

Mr. GUILFOYLE. At the end of 2 years we could have a three-man office, the Alien Property Section, still under a separate allowance out of alien property funds.

Mr. Bow. That is all.

Mr. ROONEY. Thank you, Mr. Douglas, Mr. Guilfoyle, Mrs. Sanford, and gentlemen.

SALARIES AND EXPENSES, ANTITRUST DIVISION

WITNESSES

LEE LOEVINGER, ASSISTANT ATTORNEY GENERAL
PHILIP J. BASSFORD, ADMINISTRATIVE OFFICER

Object classification

[In thousands of dollars]

		1962 actual	1963 estimate	1964 estimate
11	Personnel compensation:			
	Permanent positions	$4,363	$5,008	$5,310
	Positions other than permanent	64	72	72
	Other personnel compensation	76	3	47
	Total, personnel compensation	4,503	5,083	5,429
12	Personnel benefits	331	370	394
21	Travel and transportation of persons	262	269	269
22	Transportation of things	13	15	15
23	Rent, communications, and utilities	83	84	84
24	Printing and reproduction	67	85	85
25	Other services	185	215	215
26	Supplies and materials	47	52	52
31	Equipment	125	57	57
	Total costs	5,616	6,230	6,600
	Change in selected resources	24		
	Total obligations	5,640	6,230	6,600

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions	602	614	614
Full-time equivalent of other positions	7	8	8
Average number of all employees	526	571	569
Number of employees at end of year	563	604	604
Average GS grade	9.4	9.5	9.5
Average GS salary	$8,384	$9,028	$9,206

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Enforcement of antitrust and kindred laws (program costs, funded)	$5,616	$6,230	$6,600
Change in selected resources [1]	24		
Total obligations	5,640	6,230	6,600
Financing:			
Unobligated balance lapsing	233		
New obligational authority	5,873	6,230	6,600
New obligational authority:			
Appropriation	5,875	5,988	6,600
Transferred to "Operating expenses, Public Building Service," General Services Administration (75 Stat. 353 and 76 Stat. 728) (−)	−2	−1	
Appropriation (adjusted)	5,873	5,987	6,600
Proposed supplemental due to pay increases		243	

[1] Selected resources as of June 30 are as follows: Unpaid undelivered orders. 1961, $23,000; 1962, $46,000; 1963, $46,000; 1964, $46,000.

Mr. ROONEY. Gentlemen, the next item is that for the Antitrust Division which appears at page 84 of the committee print and under tab 19 of the justifications. This request is in the amount $6.6 million, which would be an increase of $612,000 over the amount appropriated in the current fiscal year; is that correct?

Mr. LOEVINGER. That is correct.

Mr. ROONEY. We shall at this point insert in the record pages 19–1, 19–2, 19–4 through 19–88.

(The pages follow:)

Salaries and expenses, Antitrust Division

Appropriation, 1963	$5,988,000
Proposed pay act supplemental	243,000
Less transfer to General Services Administration	(—)1,000
Appropriation, 1963 (adjusted)	6,230,000
Estimate, 1964	6,600,000
Increase	370,000

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 negotiations 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 Administraiton and the disposal of Government-owned rubber producing facilities and surplus property. In addiiton, 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 $6,600,000 will be required for the fiscal year ending June 30, 1964, to enable the Antitrust Division to continue its enforcement program, discharge its responsibilities in connection with the so-called kindred law cases, and perform the other duties imposed upon it. This amount exceeds by $370,000 the funds required for the 1963 fiscal year. The increase is needed to comply with statutory provisions relative to employees' compensation and benefits. It does not provide for any additional positions. The details of these items are set forth below:

Cost of statutory provisions:

Additional pay act costs in 1964 (Public Law 87–793)	$240,000
Within-grade promotions	62,000
Personnel benefits	24,000
Two additional compensable days (5 U.S.C. 944c)	44,000
Total increase	370,000

GENERAL STATEMENT

Fiscal year 1962 was an active one in the field of antitrust enforcement. In most respects it surpassed 1961. By the end of the year there had been a substantial increase in the caseload of the Division, and the staff was devoting its attention to 180 pending antitrust cases in addition to 173 involving the so-called

kindred laws. The increased activity of the Division has continued through the first half of fiscal year 1963.

Seventy-three antitrust cases (41 civil and 32 criminal) were filed during the year, as compared with 62 during the prior year. Except for 1960, when 86 cases were commenced, almost half of which involved the heavy electrical industry and grew out of one investigation, the number filed in 1962 was more than 15 percent higher than that in any other postwar year. Those filed include 10 merger cases and 58 alleging price fixing. Between July 1 and December 15, 1962, the Division filed 35 antitrust cases (23 civil and 12 criminal).

Thirty antitrust cases were closed in fiscal year 1962, fourteen civil and sixteen criminal. In addition, consent judgments were entered in three pending cases by one or more defendants but not all. Four other cases were settled but not terminated by June 30 because of the 30-day consent decree policy. Of those closed, 10 civil cases were won and 1 was lost. Three were dismissed on motion by the Government. Twelve criminal cases were won, one resulted in a victory for the defendants, one was dismissed on jurisdictional grounds and two were dismissed at the request of the Division.

During the current fiscal year up to December 15, the Division closed 42 cases (33 civil and 9 criminal). This is 12 more than closed during the entire 1962 year. 21 additional cases (19 civil and 2 criminal) were terminated as to some of the defendants but not all.

By the end of the 1962 fiscal year, there were 180 antitrust cases pending in district courts (138 civil and 42 criminal), as compared with 137 (111 civil and 26 criminal) at the close of the previous year. This exceeded the number pending at the end of any similar period. On December 15, 1962, 173 antitrust cases were pending. It is anticipated, however, that a number of additional cases will be filed before the end of December, and that the number pending at that time will be about the same as at the end of the preceding June.

At the end of June 1962, the Division also had 16 cases pending in the U.S. Supreme Court or in other Federal appellate courts. The Supreme Court docket was the heaviest the Division had ever had. As of the middle of December 1962, 12 antitrust cases were docketed in the Supreme Court and other Federal appellate courts. Included are seven in the highest Court.

The Division also has been very active in pre- and post-judgment negotiations. During the 1962 year attorneys participated in 163 separate negotiations in 68 cases and furnished prejudgment advice to trial staffs and field offices in 16 others. In the postjudgment area, the staff was involved in enforcement and compliance matters in 91 cases and in judgment modification and interpretation negotiations in 41. In addition, the staff made investigations to determine compliance with existing judgments in 12 instances.

During 1962 the Division received 1,256 complaints and initiated 336 investigations, and during the first half of fiscal year 1963 the Division received over 500 complaints and initiated over 170 investigations.

Work in this area of antitrust enforcement has been stepped up somewhat since July 1, 1962. From that date until December 15, the staff participated in 155 separate negotiations in 45 cases and furnished prejudgment advice in 22 cases. The Division was involved in enforcement and compliance matters in 28 cases (including four court hearings in the *Paramount* case), and in judgment modification and interpretation negotiation in 23 other cases. There also were eight staff investigations for the purpose of determining compliance with existing judgments.

There were 40 grand jury investigations into alleged antitrust violations commenced during 1962 and 57 were closed, leaving 63 pending at the end of the fiscal year; 111 FBI investigations were initiated and 112 were closed; 129 were open at years' end; 185 staff investigations were opened, 273 closed, and there were 268 still pending at the end of June 1962. The 336 investigations commenced during the year is the highest of any year. The number did not exceed 253 in any other year. Terminations totaled 442, which is more than twice as many terminations as in any previous similar period (215 in 1942 was previous high). There were 460 investigations of all types open at the end of the year.

In the 5½ months between July 1 and December 15, 1962, the Division initiated 171 investigations and terminated 159. Pending were 471 at the close of the 5½-month period.

Fines and recoveries in antitrust cases totaled $1,220,500. Fines and recoveries between July 1 and December 15, 1962, approximated $8 million.

As before, the Division examined and investigated a large number of corporate mergers and proposed mergers. Examined were 1,350 during the past fiscal year, as compared to 1,100 during 1961; 190 were fully investigated in 1962, and 181 during the prior year. Between July 1 and December 15, 1962, 531 mergers were examined and 66 assigned to sections for investigation.

Eighty cases involving the so-called kindred laws were pending at the start of the 1962 fiscal year, and 195 were instituted. Of these cases 102 were terminated and 173 still awaiting final action at the close of the 12-month period; 116 of those filed were Interstate Commerce Commission district court cases. This represents an overall increase over the 146 commenced and 121 closed in 1961 and the 122 pending at the end of that year. And 82 such cases were commenced and 72 terminated during the first 5½ months of the current fiscal year; 185 were pending on December 15, 1962.

In addition to these cases and matters, the Assistant Attorney General made 37 appearances before congressional committees during 1962. This was as many as made by all of the Assistant Attorneys General in charge of the Divis.on during the entire period 1938 through 1953, and more than twice as many as made during the 1961 fiscal year. Other members of the professional staff appeared 11 times to testify during the year as contrasted with 1 such appearance the preceding year. Thirty-two requests were received and processed for transfer of surplus Government property; 182 reports were made on proposed bank mergers (171 in 1961); and 125 Division attorneys were in court 499 days during the last half of fiscal year 1962 (no figures available for the first 6 months).

During the current year, and up through December 15, the Assistant Attorney General made six appearances before congressional committees, and one appearance was made by another attorney. Fourteen requests were processed for the transfer of surplus property, 75 reports were made on proposed bank mergers, and 116 attorneys were in court a total of 561 days.

Of additional interest are some other activities of the Division which consume all of the time of some members of the staff and a substantial part of the time of others.

The time of litigating attorneys has been spent in numerous proceedings before regulatory agencies. During fiscal 1962 such proceedings included five railroad merger cases before the ICC: (1) Seaboard-Atlantic Coast Line; (2) Chesapeake & Ohio-Baltimore & Ohio; (3) Norfolk & Western-Nickel Plate-Wabash; (4) Western Pacific Control; (5) Great Northern-Northern Pacific-Burlington and an airline merger (American-Eastern) and the Transatlantic group fare discount plan before the CAB. Some of these were extended proceedings requiring many days of trial time. One merger proceeding (Great Northern-Northern Pacific-Burlington) involved hearings at various points along the carriers' lines from Chicago to Seattle and entailed substantial travel and per diem expense.

During 1962 the Division made 27 reports to defense agencies, 9 to the Civil Aeronautics Board and 2 to other agencies; handled 52 matters pertaining to alien property; prepared 4 reports (required by statute) to the Congress on the anticompetitive aspects of various economic situations; prepared 165 reports to the Congress relating to proposed or pending legislation; answered 730 letters of inquiry from Members of the Congress; and received 19 Federal Trade Commission complaints in which it was recommended that civil penalty actions be instituted, 5 of which have been handled by Antitrust Division attorneys and the balance reviewed and forwarded to U.S. attorneys for necessary action. In penalties $75,600 was received as a result of the Federal Trade Commission actions handled.

Between July 1 and December 15, 1962, matters in this category increased generally. For example, during this 5½-month period the Division made 14 reports to defense agencies, 8 to the Civil Aeronautics Board, 7 to the Federal Maritime Commission (1 of these required the review of some 60 dual rate contracts), and 1 to another agency. In addition, the Division made 13 reports regarding alien property; 2 to the Congress under the Defense Production Act; prepared 42 reports to the Congress relative to proposed or pending legislation; answered 266 letters of inquiry from Members of the Congress and received 5 civil penalty cases from the Federal Trade Commission. Four such cases were closed with judgments aggregating $44,200.

Following the text of the justification are workload tables and statistics giving additional details on a comparative basis.

The Division is cooperating extensively with State and local governments in the antitrust enforcement field. Conferences were held here in the Department in November 1961, with States attorneys general, and other individual conferences have been held throughout the year. Substantial assistance also is being given in connection with the institution of damage suits against members of the heavy electrical industry by State and municipal governments.

The identical bid program established by Executive order on April 25, 1961, has been fully implemented, and the cooperation of State and local procurement officials has been requested and in most instances is being received. Forms for reporting identical bids were distributed to Federal agencies in July 1961, and to State and local officials in November, 1961. To December 15, 1962, 2,381 completed sets have been returned by Government departments and agencies and 2,389 by non-Federal governmental units, for a total of 4,770. The first report under the program has been delivered to the President and Congress and made public.

The Division also has been working closely with the State Department in connection with problems engendered by United States participation in the Organization for Economic Cooperation and Development and other aspects of foreign commerce.

Attorney personnel

On June 30, 1962, the Division had 274 attorneys on the rolls and on duty and job commitments had been made to 48 others. Of those on duty 107 were assigned to temporary field offices and 167 to the seat of government. A year before, the Division had 255 attorneys of whom only 88 were assigned to the field and 167 to Washington. As of December 15, 1962, we had 307 attorneys on the rolls, 119 of whom were assigned to the field. The appointment of an additional attorney for a field office had also been approved.

Athough there are 322 authorized attorney positions and funds for an average employment of 294 lawyers, the high rate of turnover, together with the difficulty of finding attorneys who meet the Division's high standards and who are willing to accept appointment at the salaries permitted by the Classification Act, made it difficult to build the staff up to full strength until recently. For example, although 73 attorneys (33 in the field and 40 in Washington) were appointed and entered on duty during the 1962 fiscal year, the Division lost 54 attorneys (15 in the field and 39 in Washington) through resignation, or separation to enter active military service. The vast majority of these lawyers were qualified, experienced antitrust attorneys whose loss was severely felt. Although 1 attorney died and 6 left pursuant to military orders, 47 left for other employment, principally private practice. In most of these instances salary was a compelling factor. Attorney separations during the first 5½ months of fiscal year 1963 totalled only 13, however.

The study commenced during the early part of the 1962 fiscal year with regard to the storage and retrieval of information through the use of automatic equipment is beginning to show results. A working index to briefs and memoranda has been produced and it is anticipated that eventually the index will save attorneys substantial time in research through the utilization of equipment which already is available in the Department.

It is essential that the authorized strength of the Division be maintained at its present strength if the enforcement program is to be continued.

Enforcement program

The Antitrust Division has been attempting to follow the policy recommended by the House Appropriations Committee of seeking significant results rather than merely trying to compile an impressive statistical record of cases. Thus the fiscal year began with the promulgation of a new rule (announced June 29, 1961) that all consent decrees (with certain very limited exceptions) would be filed as a matter of public record 30 days before final approval and entry. Such a practice had been urged for a number of years by Members of both Houses of Congress. However, the institution of this rule inevitably had the effect of deterring the negotiation of consent decrees at least for a period of months. In addition, the Division has been seeking to insist upon broad and effective decrees in all cases in which the evidence would justify such a decree, rather than accepting the most limited proposal which would cover the specific allegations of the complaint in order to avoid trial and settle as many cases as possible by consent. This policy, too, has resulted in diminishing somewhat the number of cases settled and has prolonged the period of negotiation in some

cases that have been settled. However, it is anticipated that as these policies become known and established they will be accepted more readily, and that, ultimately, about the same proportion of cases will be settled and litigated as in the past but the terms of the decrees entered will be more effective.

A majority of the antitrust cases pending at the close of the 1962 fiscal year were price-fixing cases; 84 such cases were awaiting action at the end of June, while 25 others involved both price fixing and monopolization.

Also pending at the close of the year were a large number of cases against defendants in the electrical industry growing out of the Philadelphia investigation in 1960. These included 20 civil cases seeking injunctive relief and 8 damage cases seeking the recovery of overcharges on equipment brought by Government agencies, with 3 more such cases ready for filing as of the end of the year. The extremely complicated negotiations for settlement of these cases were far advanced at the end of the fiscal year and a large number of decrees had actually been signed by defendants in those cases although not actually filed in court. During July 1962, the 3 additional damage cases were filed. On July 27, 1962, a settlement was reached with General Electric Co. of the damage claims against it involved in all 11 suits. The agreement provided for the payment to the Government and TVA of a total amount of $7,470,000, which is more than 10 percent of the dollar amount of purchases from General Electric involved in the litigation. Within a few days after the agreement General Electric paid the sum of $7,470,000 to the Government and TVA and the cases against it were thereafter dismissed.

Since July 1962, the Division has terminated 16 of the 19 electrical industry civil injunction cases, and all but 1 of the defendants have consented to judgments in the remaining 3 cases. Only one defendant, which is a party in three of the cases, has refused to agree to an appropriate injunctive judgment. In general, the decrees entered prohibit all of the practices of which the defendants were accused with respect to the several commodities involved in the different cases, and also included the usual enforcement provisions, such as reporting and visitation rights for the Department of Justice. Three of the decrees went beyond the usual pattern. Westinghouse and Allis-Chalmers agreed to injunctions against price fixing as to electrical motors, although this product was not included in the cases that had been filed. The decree entered as to General Electric was even broader. Eighteen civil cases, relating to as many commodities, had been filed as to General Electric. The decree finally agreed upon and entered was a single decree prohibiting price fixing and similar practices as to all heavy electrical products, which was defined as including all products used in the commercial generation, transmission or distribution of electrical energy as well as electric motors, with a few specified exceptions. This single decree covered all of the products involved in all of the cases pending in this industry as well as hundreds or thousands of others. Upon the entry of this single broad decree, the other 17 cases pending against General Electric were dismissed.

The Division won all of its cases in the Supreme Court in both the 1962 fiscal year and the 1962 calendar year. One of the most important was in the *Brown Shoe* case. This suit was originally filed in November, 1955, under the Celler-Kefauver Amendment to section 7 of the Clayton Act and involved a merger of the Brown Shoe Co. and the G. R. Kinney Co. The Government alleged that the merger would eliminate competition between the defendants and that competitors might be foreclosed from the market. It provided the first major test of section 7 of the Clayton Act precluding the acquistion of one company by another where the effect of the acquisition may be substantially to lessen competition or tend to create a monopoly. The opinion of the Supreme Court affirmed the district court's holding that the merger of Brown Shoe and Kinney was illegal under section 7, and stated the scope and effect of the statute in a lengthy opinion. On the same day, the Supreme Court in the case of *United States* v. *Raymond J. Wise*, upheld the Government's contention that a corporate officer could be indicted under section 1 of the Sherman Act, as well as under section 14 of the Clayton Act. This holding by the Supreme Court will be decisive of the issue in a number of other cases which were, at that time, either on appeal or being held in abeyance in district courts.

The Court also reversed a district court judgment in *United States* v. *The Borden Company* and *United States* v. *Bowman Dairy Company*. The trial court had held that the price discriminations in the Chicago area practiced by Borden and Bowman (together with a number of other dairies) in sales of milk were justified by differing costs. The Division had contended that the studies

produced by defendants did not justify price discriminations and defendants had arbitrarily classified customers.

Earlier during the year the Supreme Court reversed a district court dismissal of Diebold, Inc., which had been sued under section 7 of the Clayton Act, under the "failing company" doctrine. Diebold is a leading manufacturer and seller of bank vaults and bank vault doors. It also reversed the Federal Power Commission and the Circuit Court of Appeals for the District of Columbia in *California* v. *Federal Trade Commission*, thus enabling the Government to proceed to trial in *United States* v. *El Paso Natural Gas Company*. The decision here upheld the views of the Division in this important case.

Since July 1 the U.S. Supreme Court has handed down an important decision in the so-called block-booking cases. The Court sustained the position of the Division that certain motion picture distributors block-booking of copyrighted feature films for television exhibition were illegal tie-in agreements in violation of section 1 of the Sherman Act.

In November 1962, the Court affirmed the lower court in a case involving the Los Angeles Meat & Provision Drivers Union, Local 626, holding that businessmen who combined in an association which otherwise would be subject to the antitrust laws cannot immunize themselves by calling themselves a union.

In June 1962, the Court of Appeals for the Ninth Circuit handed down a decision affirming the conviction of all of the defendants in *Northern California Pharmaceutical Association* v. *United States*. This action involved an alleged violation of section 1 of the Sherman Act, price fixing, in prescription drugs, a commodity important to every family in this populous area. The pharmaceutical association and one individual had been convicted in June 1961, and appealed. A petition for a writ of certiorari filed by defendants was denied in October 1962. In a companion civil case to enjoin continuation of the conspiracy, a preliminary injunction has been granted.

The Division also secured favorable results in a number of cases terminated during the year in Federal district courts. Among those was the case against the True Temper Corp., et al. (N.D. Ill.). This suit was commenced in June 1958, and involved alleged violations of sections 1 and 2 of the Sherman Act (price fixing and monopolization) in the manufacture and sale of steel shafts for golf clubs. Final judgment was entered in August 1961, pursuant to an agreement between the Department and the defendants, which included A. G. Spalding & Bros., Inc.; Wilson Athletic Goods Manufacturing Co., Inc.; MacGregor Sport Products, Inc.; and Hillerich & Bradsby Co. The final judgment forbids the defendants to fix prices or other conditions for the sale of shafts or clubs, or to give or offer preferential prices or treatment and includes other relief the Government had requested.

Also terminated was the case against the Scott Aviation Corp. (W.D. N.Y.). This action was concerned with a Sherman Act, section 1, violation (price fixing) on a nationwide scale in artificial breathing devices used in large numbers by the military agencies and on atomic energy and hydrogen bomb research projects, as well as in hospitals and ambulances. The case was settled by a final judgment entered in November 1961, upon the consent of the parties. The defendants are enjoined from imposing restrictions on their dealers, limiting or allocating territories or customers, fixing prices or entering into any agreement or combination to do so. The judgment also requires the defendants to take certain other affirmative action to assist in achieving the objectives of this suit.

Another case closed, pursuant to consent decree, involved nationwide price fixing in paints, enamels, and varnishes, important household articles. The case was filed in August 1958, against the Sherwin-Williams Co., et al. (N.D. Ohio). The complaint alleged that beginning about 1942, the defendants conspired to fix prices on Kem products for wholesale and retail sales, to induce jobbers and retail dealers to adhere to the fixed prices and to refuse to supply jobbers and retail dealers who failed to adhere to the prices fixed by the defendants. Final judgment was entered in January 1962, and bars the price-fixing activities of the defendants.

An important case alleging price fixing and boycotting on a nationwide basis was settled when the final judgment was entered in *United States* v. *Hamilton Manufacturing Company, et al.* (E.D. Wis.). Here the defendants were alleged to have conspired to fix prices in the distribution and sale of Hamilton drafting furniture and equipment, to prevent distributors and dealers from stocking or selling competitors' goods, and to boycott other manufacturers' products and other dealers who would not conform to the price-fixing agreement. The com-

plaint originally was filed in April 1960, and consent judgments were entered as to a number of the defendants in December 1960. Judgment as to the remaining defendant was entered in February 1962. A companion criminal case was terminated on the same date.

A Sherman Act case involving alleged price fixing, restraint of competition, and conspiracy in the sale of steel bars used to reinforce concrete was that involving the Blue Diamond Corp., et al. (N.D. Calif.). This civil case, filed in November 1959, charged the defendants with allocation of rebar fabricating jobs among themselves, fixing uniform contract terms of payment, inducing mills to refuse to sell to general contractors and to limit sales to steel warehouses, and using the facilities of a defendant trade association to further the illegal agreements. Among the 19 defendants were the Bethlehem Steel Co. and the United States Steel Corp. A number of defendants entered consent judgments and the remaining were dismissed on stipulation in January 1962.

Another successfully closed civil action concerning an alleged violation of section 3 of the Sherman Act involved the Central Charge Service, Inc., which provides a central credit service in the District of Columbia. The complaint alleged that the defendant required retail merchants to sign exclusive dealing contracts as a condition of participation in the central credit service operated by the firm and to agree to finance all sales exclusively to the defendant firm, thus suppressing competition. The complaint in this action was filed in July 1960, and was closed in March 1962, with the entry of a final judgment. The final judgment prohibits the defendant from exacting exclusive dealing contracts from its merchant customers and from refusing to deal with merchants doing business with another service.

The case of *United States* v. *Hunterdon County Trust Company, et al.* (D. N.J.) was filed in December 1961, and was the first complaint brought in the banking field involving a restraint of competition by fixing of service charges. The defendants were, in addition to the Hunterdon County Trust Co., the First National Bank of Clinton and the Clinton National Bank both of Clinton, N.J. The defendants were alleged to have conspired to make uniform charges for checks, checking accounts, collection of checks and drafts, and other services. A final judgment was entered upon the consent of the parties in April 1962, enjoining defendants against continuance of the illegal practices.

A major antitrust suit, *United States* v. *E. I. du Pont de Nemours & Company, et al.* (N.D. Ill.) was terminated with the entry in March 1962, of a final judgment which required that Du Pont and Christiana Securities Co., the holding company which controls Du Pont, divest themselves of the 23-percent stock interest which they hold in General Motors.

The case, originally filed on June 30, 1949, charged that the intercorporate relationships resulting from Du Pont's ownership of 23 percent of the stock of General Motors constituted violations of sections 1 and 2 of the Sherman Act and section 7 of the Clayton Act. The district court dismissed the complaint. On appeal, the Supreme Court held that Du Pont's ownership of 23 percent of General Motors constituted a violation of section 7 of the Clayton Act, and remanded the case for determination of appropriate relief. The district court refused to require divestiture as requested by the Government and the case was again appealed to the Supreme Court which held that the district court erred in failing to require divestiture by Du Pont. Further hearings were held following the second remand and a final judgment was entered which required complete divestiture of General Motors' stock by both Du Pont and Christiana within 3 years. General Motors' stock, received by certain members of the Du Pont family and affiliated organizations as a result of distributions by Christiana to its stockholders, was also ordered divested. On April 26, 1962, the final judgment was amended so as to increase the quantities of General Motors' stock which the Du Pont family members and its affiliated organizations which controlled Du Pont and Christiana Securities Co. would be required to divest. No appeals were filed, and the divestiture has been commenced in accordance with the final judgment.

Conspiracy and price fixing were alleged in another important case of nationwide significance. The case, *United States* v. *Volkswagen of America, Inc., et al.* (Dist. of N.J.), involved allegations of fixing wholesale and retail prices of cars and parts, the allocation of exclusive sales territories requiring an agreement to sell only Volkswagen automobiles and parts, and placing restrictions on resales. Final judgment was entered in May 1962, enjoining defendants from price-fixing arrangements wtih distributors and from requiring them to adhere to resale prices.

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Another significant case was *United States* v. *Standard Oil Co. (New Jersey) et al.* (W.D. of Ky.). This case concerns the marketing of gasoline in an area extending from Maine to Louisiana. The complaint filed in December 1958, alleged violations of sections 1 of the Sherman Act and 3 of the Clayton Act. The complaint alleged the allocation of territories and exclusive agency contracts. The case grew out of an agreement between Standard Oil Co., Esso, and other affiliates of Standard Oil of New Jersey to refrain from marketing within Kentucky, Mississippi, Georgia, Alabama, and Florida, while Standard Oil of Kentucky marketed only within those five States, thus preventing competition between the affiliates of both. Consent judgment, entered June 5, 1961, against Standard Oil Co. of California and Standard Oil Co. of Kentucky, directs Kyso to serve termination notice on New Jersey, canceling the supply contract attacked in the complaint, and enjoins Kyso and Socal from purchasing any automotive gasoline, kerosene, heating oil, or diesel fuel from New Jersey for marketing within 11 southeastern States for 20 years. On May 17, 1962, the case was dismissed without prejudice as to the two remaining defendants.

In another important case affecting many people and concerns in New York and New Jersey, the Government charged *Consolidated Laundries, Corp.* (S.D. of N.Y.) and other with violations of sections 1 and 2 of the Sherman Act (allocation of customers and restraint of trade). In this criminal case, the defendants and co-conspirators were alleged to have entered into agreements to allocate customers among themselves, refrain from competing for such customers, restricting the liberty of customers to choose their own linen suppliers and harassing other suppliers in order to compel them to join the conspiracy. The original indictment was filed in January 1957. The defendants were convicted after trial but the conviction was reversed by the Second Circuit Court of Appeals. The defendants, however, entered nolo pleas prior to retrial and were fined a total of $319,000.

United States v. *General Dynamics Corp., et al.* (E.D. of N.Y.), a case of major importance, was terminated in December 1961. This criminal action involved contempt of a judgment dated March 7, 1952, regarding price fixing in connection with the sale of dry ice and carbon dioxide. The defendants, which included the Air Reduction Co., Inc., Chemetron Corp., Olin Mathieson Chemical Corp., in addition to General Dynamics and certain individuals, were charged with having conspired to fix prices and with having interfered with the business practices of other firms manufacturing the products in violation of the 1952 judgment. All of the defendants pleaded either guilty or nolo in November 1961. Fines were imposed upon each of the defendants in December 1961, totaling $186,000.

The sale of milk being supplied to schools in the county and city of Baltimore was the subject of another successfully concluded case. This action, *United States* v. *Milk Distributors Association Inc., et al.* (D. of Md.), alleged violation of section 1 of the Sherman Act (price fixing and collusive bidding). The Government contended that prices paid by the city and county of Baltimore for milk supplied the schools were artificially fixed at noncompetitive levels, that bids had been rigged for 11 years, and that areas were allocated. An indictment was returned in March 1961, and an information filed the following July. The information was later amended to charge a violation of section 14 of the Clayton Act. Each of the defendants filed a nolo plea, and the case was terminated in February 1962, by the imposition of $56,000 in fines.

Price fixing and collusive bidding in the fabricating structural steel industry was the subject of a case entitled *United States* v. *Stupp Bros. Bridge & Iron Co., et al.* (E.D. of Mo.). In this criminal action, the Government alleged violations of section 1 of the Sherman Act (price fixing and collusive bidding). The defendants were charged with having conspired to restrain trade by agreeing to divide Missouri in order to allocate business, to refrain from bidding in each other's territory, and to adjust bidding to effectuate the allocation. The case was terminated in March 1962, when the court imposed fines aggregating $82,500 on the defendants, all of whom had pleaded nolo.

Another action of nationwide importance concerned metal film resistors used in computers and navigational and missile guidance systems. In this case, *United States* v. *Daystrom, Inc., et al.* (S.D. of Ohio), the Government alleged violations of section 1 of the Sherman Act (price fixing) and section 14 of the Clayton Act. The Government charged that Daystrom, the Electra Manufacturing Co., the International Resistance Co., and one individual had entered into a conspiracy in unreasonable restraint of trade by agreeing to fix, stabilize, and maintain uniform prices, terms, and conditions for the sale of metal film resistors

so that price were maintained at a high level and price competition was adversely affected. The indictment was returned in January 1962, and the case was terminated the following April by the imposition of fines ($24,000) on the defendants, each of whom pleaded nolo.

A similar case was *United States* v. *Texas Instruments, Inc., et al.* (S.D. of Ohio). This concerned deposited carbon resistors used in computers and navigational and missile guidance systems. The Government charged violations of section 1 of the Sherman Act (price fixing) and section 14 of the Clayton Act, including a conspiracy in unreasonable restraint of trade by an agreement to fix, stabilize, and maintain uniform price terms and conditions of sale. This indictment was returned in January 1962, and the case concluded in April with the imposition of fines totaling $72,000 on the defendants, all of which pleaded nolo to both counts.

In *United States* v. *Allen Bradley Co., et al.* (S.D. of Ohio) soft ferrite cores used in the manufacture of television sets was the subject of another criminal antitrust case with nationwide implications. This action involved alleged violations of sections 1 of the Sherman Act and 14 of the Clayton Act. The defendants, besides Allen Bradley, included the Aerovox Corp., Stackpole Carbon Co., Indiana General Corp., and two individuals. The Government charged a conspiracy in unreasonable restraint of trade by an agreement to fix, stabilize, and maintain uniform prices, terms and conditions for the sale of this commodity. This indictment also was returned in January 1962, and the case was terminated exactly 4 months later by the imposition of fines of $38,000 on the defendants' pleas of nolo.

Conspiracy, price fixing, and the elimination of competition on a nationwide area in the metal office furniture field was charged by the Government in *United States* v. *The General Fireproofing Company, et al.* case (W.D. of N.Y.). Violations of section 1 of the Sherman Act were charged. The Government accused the defendants of conspiracy to stabilize prices through an illegal agreement to use a uniform zone delivered pricing system with artificial zone boundaries and agreements to fix consumer prices for the products involved, thus suppressing price competition and depriving consumers of the benefits of open competition. The indictment was returned in December 1960, and in April of 1962 all of the defendants entered pleas of nolo. The case was concluded in April 1962, by the imposition of fines which totaled $170,000.

A companion case, *United States* v. *The Shaw-Walker Co .et al.* (W.D. of N.Y.) was closed on the same date by the imposition of fines of $35,000 on Shaw-Walker and Sperry Rand. This action involved an alleged violation of section 1 of the Sherman Act (price fixing) in the same commodity. In this instance the defendants were charged with a separate conspiracy to restrain trade in filing cabinets by agreeing to eliminate price competition and to allocate sales between themselves.

A third case involving office furniture was *United States* v. *Sperry Rand Corporation* (W.D. of N.Y.). This action also involved violation of section 1 of the Sherman Act (price fixing), and a conspiracy was alleged to eliminate and suppress competition in fire-resistant filing cabinets and accessories by fixing prices, allocating business, and maintaining retail prices. The defendant pleaded nolo in April 1962, and was fined $15,000.

Also successfully concluded was the criminal case against *Irving Bitz, et al.* (S.D. of N.Y.) involving the sale and distribution of newspapers and magazines in the Metropolitan New York area. This criminal action was concerned with violations of sections 1 and 2 of the Sherman Act and a Hobbs Act violation (extortion). The defendants were charged with restraining members of Suburban Wholesalers by compelling payment of money to avoid strikes by influence, duress, threats, etc. The indictment was returned in June 1959, and the trial began in April 1961. In addition to the Bi-County News Corp. a number of individual defendants were named. Several defendants received jail sentences although some of the counts were dismissed. The case was finally terminated in June 1962, by the denial by the Supreme Court of the United States of a petition for certiorari filed by one of the defendants.

In addition to the cases described above which were successfully terminated during the past fiscal year, the following cases went to trial during the year:

United States v. *First National Bank and Trust Company of Lexington et al.* (E.D. of Ky.). This is a suit concerned with claimed violations of sections 1 and 2 of the Sherman Act (attempting to monopolize). The complaint alleges that the proposed merger of the defendant with the Security Trust Co. would

create a new firm approximately three times the size of the next largest competitor which would thus obtain a substantial competitive advantage over all other commercial banks in Lexington, Ky. The complaint was filed in March 1961, and trial commenced on February 19, 1962. In an opinion rendered July 27, 1962, the court dismissed the complaint. The Government has appealed to the Supreme Court and a jurisdictional statement was filed November 13, 1962.

United States v. *Aluminum Company of America et al.* (N.D. of N.Y.). This is a civil case in which the Government alleges a violation of section 7 of the Clayton Act and concerns wire and cable products. The Government seeks to obtain equitable relief to eliminate anticompetitive effects of the acquisition of the Rome Cable Corp. by Alcoa which highlights the growing trend of large integrated companies acquiring successful independents. The complaint was filed on April 1, 1960, and the trial began on February 5, 1962. The trial ended in March and final arguments were made on August 1, 1962. The case is now awaiting decision.

United States v. *Bliss & Laughlin, Incorporated* (S.D. of Calif.). This civil action involves cold-finished steel bars in California, Oregon, Washington, and Arizona. The Government charged a violation of section 7 of the Clayton Act (merger, and the elimination and lessening of competition). The complaint was filed on June 28, 1960. Trial commenced on December 12, 1961, and the defense rested its case on January 24, 1962. During the latter part of March 1962, the court entered its finding of fact, conclusions of law, and final judgment for the defendants. The Government appealed to the Supreme Court. In November 1962, the Supreme Court remanded the case to the district court for reconsideration in the light of the opinion of the *Brown Shoe* case.

United States v. *Los Angeles Meat and Provision Drivers Union, Local 626* (S.D. of Calif.). This involves alleged violation of section 1 of the Sherman Act (restraint of trade and conspiracy), and concerns meat vendors in the Los Angeles area. The Government claims that the defendants conspired to limit and restrict the sale of fresh and processed meat to members of the union, boycotted nonunion vendors and restrained competition by allocating customers and preventing solicitation. The complaint was filed on June 17, 1960. Trial was held during December 1961. That proceeding, however, was concerned with the issue as to whether "meat vendors" are independent businessmen having no immunizing protection under the Clayton Act and the Norris-LaGuardia Act. In March 1962, the court in a memorandum opinion held that meat vendors are self-employed businessmen subject to the Sherman Act and that the applicability of the Clayton and Norris-LaGuardia Acts could not be determined without a trial on the merits. Trial on the merits has been postponed pending a decision by the U.S. Supreme Court in the *Yellow Grease* case which involves similar questions of law and fact.

United States v. *Morton Salt Company et al.* (D. of Minn.). This criminal action (price fixing in rock salt, which is used for deicing streets), charges a violation of section 1 of the Sherman Act. The Government presented evidence that the defendants fixed prices for sales to public and private purchasers, exchanged price and market information with each other and with creditors, adhered to zone pricing formulas and submitted identical bids to State and municipal governments throughout the country, but the defendants denied conspiracy and on June 7, 1962, after trial, the jury returned a verdict of not guilty.

United States v. *Ling-Temco Electronics, Inc. et al.* (N.D. of Texas). This case involves the electronic and aerospace industries on a nationwide basis The Government alleged a violation of section 7 of the Clayton Act (merger, the elimination of competition and creation of a monopoly), by charging that the acquisition of Chance Vought by Ling-Temco eliminated the competition between them and others and fostered other mergers which would lessen competition and tend toward monopoly. The complaint was filed August 16, 1961, and amended in September. The case was tried in November 1961, and the court found for the defendants. The Department has decided not to appeal.

United States v. *Avdel, Inc. et al.* (S.D. Calif.). This criminal case is concerned with quick-release pins which are spring-loaded devices used instead of nuts and bolts in the manufacture of aircraft. The Government alleged violations of sections 1 and 2 of the Sherman Act (suppressing competition, fixing prices, and monopolizing sales). The indictment charged the defendants with eliminating competition between themselves and secret agreements, controlling patents, fixing prices, and allocating bids with the result that the Government

and private purchasers had been deprived of a free, open competitive market in a product important to the defense program because it has an essential use in military equipment. The indictment was originally returned in May 1961 and trial was commenced on November 1, 1961. On February 26 of this year, the court, sitting without a jury, found the defendant corporations guilty of violating section 1 but not guilty of violating section 2. Each corporation was fined $50,000. The defendant later appealed, but dismissed their appeal in October 1962.

United States v. *Manufacturers Hanover Trust Company* (S.D. N.Y.). This suit involves commercial banking in New York City. The Government claims violations of section 1 of the Sherman Act and section 7 of the Clayton Act (merger). It alleged that the merger of the Hanover Bank and Manufacturers Trust would create the fourth largest bank in the Nation, lessen competition and create a monopoly, increase the concentration of financial power in New York, eliminate competition between the merging banks and lessen competition generally. The complaint was filed September 8, 1961. This case was tried in December 1961. As of the end of December 1962 the court had the case under advisement.

United States v. *Penn-Olin Chemical Company et al.* (D. Del.). Sodium chlorate, which is used in bleaching pulp and paper and in the production of solid propellant fuels for rockets and missiles, is the commodity here involved. The Government alleged a violation of section 7 of the Clayton Act and section 1 of the Sherman Act (merger and unlawful agreements). The defendants, the Olin Mathieson Chemical Corp. and the Penn-Olin Chemical Co., had established a third corporation called the Pennsalt Chemicals Corp. The Government challenged this "joint venture" technique under which competing companies combined to avoid, restrain, or lessen competition by pooling capital or technology. The complaint was filed in January 1961 and trial of the case commenced on October 30, 1961. Final arguments have been made and the case is now awaiting decision.

United States v. *The Philadelphia National Bank et al.* (E.D. Pa.). The Government has claimed violations of section 1 of the Sherman Act and section 7 of the Clayton Act (merger) by alleging that the merger of the Philadelphia National Bank with the Girard Trust Corn Exchange Bank would result in Philadelphia National becoming the largest commercial bank in the area, thereby increasing concentration in the industry and eliminating competition between them and competition generally. Trial of the case began on June 5, 1961, and was completed on August 3, 1961. In January of this year judgment was entered in favor of the defendant. The case is now on appeal to the U.S. Supreme Court. The Government's brief has been filed in the Court and the case may be argued this term.

United States v. *Utah Pharmaceutical Association* (D. Utah). In this civil action the Government alleged a violation of section 1 of the Sherman Act (price fixing) in prescription drugs in the Utah area. It is claimed that since the fall of 1954 the defendants have established uniform prices for prescription drugs in Utah. The association, representing 80 percent of the pharmacies and pharmacists in Utah, has thereby suppressed price competition and consumer prices have been increased. The suit seeks to enjoin the conspiracy to fix prices and to dissolve the association's committee on prescription pricing, wages, and hours. The complaint was filed on March 7, 1961, and the case was tried commencing on November 21, 1961, before the judge sitting without a jury. On January 31, 1962, the court entered a final judgment in favor of the Government. In April of this year the defendants filed a notice of appeal to the U.S. Supreme Court, and in October 1962 the court granted the Government's motion to affirm.

United States v. *Koppers Company, Inc., et al.* (W.D. Pa.). This suit involves an alleged violation of section 7 of the Clayton Act (merger) and is concerned with flexible couplings used in the transmission of power between industrial machines. Its impact would be nationwide. The Government claimed that the acquisition of the Thomas Flexible Coupling Co. by the defendant, Koppers, lessens competition in the manufacture of flexible couplings, eliminates competition between them, and gives Koppers a competitive advantage over other manufacturers. The Government seeks divestiture. The complaint was filed on February 17, 1961. Trial was commenced on October 16, 1961, and completed on October 19, 1961. On January 9, 1962, the district court found that the acquisition did in fact violate section 7 of the Clayton Act and ordered divestiture within 9 months. In March 1962 the defense filed a notice of appeal and last

June the Government filed a motion to affirm. The appeal was withdrawn in October 1962 as the defendant, Koppers, had disposed of the acquired company.

Among the important cases disposed of during the first half of the current fiscal year was that against *Standard Pressed Steel Company, et al.* (S.D. Calif.). This criminal action involved internal wrenching bolts which are fasteners made of high strength steel used in joining various parts of military and commercial aircraft and missiles. The Government alleged a violation of section 1 of the Sherman Act in accusing the defendants of entering into a combination and conspiracy by continuing agreement among themselves and others to fix and maintain prices and suppress competition. The case was closed in July 1962 by the entry of pleas of nolo contendre and the imposition of fines.

United States v. *Carter Products Incorporated, et al.* (S.D. N.Y.) also was terminated during the first part of the 1963 year. This civil case involved restraint of trade and monopolization in tranquilizing drugs (meprobamate). The Government charged violations of both section 1 and section 2 of the Sherman Act by claiming that the defendants, by cloaking its sales of meprobamate powder to American Home Products Corp. as an exclusive license to use a patented product, did in effect agree with American Home Products Corp. not to sell the powder to any one else for use in the manufacture of tranquilizers. Under the arrangement, the corporation was in turn barred from reselling the powder to make tranquilizers. Having sealed off other producers, Carter and American would then charge the same prices on the competing tranquilizers, Miltown and Equanil, it was alleged. In November 1962 a consent judgment was entered terminating the case. The judgment compels Carter to sell the meprobamate compound to all pharmaceutical houses on unrestricted and nondiscriminatory terms and conditions.

Also terminated during the 1963 fiscal year was the merger case against *El Paso Natural Gas Company, et al.* (D. Utah). This also involved the Pacific Northwest Pipeline Corp. and concerned natural gas in the Pacific Western States. The Government charged that by acquiring the facilties for the importation of Canadian natural gas, El Paso secured control of all transmission of natural gas from other States and foreign sources into several Western States, and that El Paso's position enhanced to such an extent that potential competitors might be permanently excluded and that purchasers of the product would be deprived of the benefits of a competitive market. In November 1962 the district court entered judgment dismissing the complaint. An appeal is under consideration.

The case against National Homes Corp. (Northern District of Indiana) was closed in December 1962 by the entry of a consent judgment. This case was concerned with the acquisition by National Homes of seven prefabricated house manufacturers which, it was claimed, substantially lessened competition and tended to create a monopoly. The consent decree enjoins the defendant for 5 years from acquiring any interests in any manufacturer of prefabricated homes. The defendant also is required to divest itself of six of the plants it already has acquired, such divestitures to take place within 3 years from next March.

As previously indicated, the number of cases pending at the close of the 1962 fiscal year was higher than any similar time. It is estimated that the number of cases which will reach trial or trial stage during the current fiscal year probably will be higher than in many previous years, and the number will, in all probability, be even higher next fiscal year. Moreover, the large number of investigations now being conducted by the Division will result in additional actions. The large number of cases pending obviously imposes a severe burden on the litigating staff as the preparation for trial and the conduct of court proceedings require many experienced attorneys. During the current year, there are approximately 80 antitrust cases that may reach the trial stage. A few of the most important are described briefly below.

United States v. *American Optical Company, et al.* The Government has two cases, one criminal (eastern district of Wisconsin) and one civil (northern district of Illinois), against the American Optical Co., and others charging violations of sections 1 and 2 of the Sherman Act (restraint of trade and monopoly). The criminal case includes as defendants the American Optical Co., Bausch & Lomb, Inc., and two individuals. The civil case is against the two corporations and the association. The Government has charged the manipulation of spread between factory prices of semifurnished lenses and supplies and their laboratory prices for finished lenses, weakening the position of independent

distributors who purchase from the defendants as well as cutting prices below those of independent manufacturers, and canceling franchises.

United States v. *National Dairy Products Corp., et al* (western district of Missouri). Here the Government has alleged the violations of sections 1 of the Sherman Act and 3 of the Robinson-Patman Act. The criminal case is based upon the alleged conspiracy to fix prices at which distributors sell to customers, agreeing upon prices below cost to restrict sales by small dairies, subsidizing price wars eliminating competition, and coercing small dairies to raise their prices. The case is still pending in the Supreme Court on the question of the constitutionality of the Robinson-Patman Act, which question was argued this past fall.

United States v. *Armour and Company, et al.* (southern district of California). This is a criminal case concerned with the sale of shortening in the States of California, Washington, Oregon, Hawaii, Idaho, Montana, Utah, Nevada, Arizona, and New Mexico. The Government has alleged a violation of section 1 of the Sherman Act, charging a conspiracy to stabilize prices, the terms and conditions for the sale of shortening within the western territory and to induce others to adopt and adhere to such prices and terms, thereby suppressing price competition.

United States v. *Corn Products Company, et al.* (southern district of California). This criminal case concerns an alleged violation of section 1 of the Sherman Act in the sale of salad oil in the western territory (the States of California, Washington, Oregon, Hawaii, Idaho, Montana, Utah, Nevada, Arizona, and New Mexico). It is charged that the defendants have entered into a conspiracy to stabilize the prices and terms and conditions for sale of salad oil for tank delivery within the western territory and to induce others to adopt and adhere to such prices and terms, thereby suppressing price competition.

United States v. *Charles Pfizer & Co., Inc., et al.* (southern district of New York). This is a criminal case involving the distribution and sale on a nationwide basis of so-called broad spectrum antibiotics, sometimes known as wonder drugs. The defendants are accused of entering into a conspiracy, maintaining unreasonably high noncompetitive and identical prices and monopolizing the production, distribution, and sale of the wonder drugs in question, by refusal to sell, withholding pertinent information and otherwise misleading the Patent Office prior to the issuance of the Tetracycline patent. Another suit in which the same defendant is named concerns alleged violation with regard to citric acid.

United States v. *Revlon Inc.* (southern district of New York). This is a suit involving price fixing and the allocation of territories on a nationwide basis in the sale of cosmetics, in violation of section 1 of the Sherman Act. The defendant has been charged with requiring wholesalers and retailers to sell at prices which it fixed and forced franchised distributors to sell Revlon products only to shops in allocated territories.

United States v. *Grinnell Corporation, et al.* (district of Rhode Island). This is a suit in which we have alleged violations of sections 1 and 2 of the Sherman Act in the sale and distribution of burglar and fire alarms on a nationwide basis (unlawful combinations and conspiracies to restrain and monopolize). The Government seeks to break up four related firms which do the bulk of the Nation's alarm business and charges that Grinnell controls the Holmes Electric Protective Co., holds 75 percent of the common stock of American District Telegraph Co. and 88 percent of the common stock of Automatic Fire Alarm Co. of Delaware, and thereby curtails competition. The complaint also charges the use of threats and the initiation of price wars.

United States v. *Bethlehem Steel Company, et al.* (southern district of New York). This is a criminal case concerned with alleged violations of section 1 of the Sherman Act (price fixing and bid rigging) on a nationwide basis in open die steel forgings (steel hammered into a desired shape which develops exceptional strength in the process). The defendants include, besides Bethlehem, United States Steel Corp., Midvale-Heppenstall Co., Erie Forge & Steel Corp., Open Die Forging Institute, Inc., and a number of individuals. The defendants are charged with a conspiracy to rig bids on forgings such as shipshafts sold to the Navy, ordnance sold to the Army, and to fix prices on turbine rotors and generator shafts sold to electrical companies and others, thus adversely affecting open-price competition. (In October 1962 the court accepted pleas of nolo contendre from the individual defendants and imposed fines totaling $44,000. The case against the corporate defendants is still pending.)

United States v. *Greater Buffalo Press Inc., et al.* (western district of New York). The commodity here involved is color comics supplements, and the Gov-

ernment has alleged violations of sections 1 and 2 of the Sherman Act and 3 and 7 of the Clayton on a nationwide basis. The defendants are charged with a conspiracy to suppress competition by agreement not to compete among themselves and to monopolize the Sunday supplement market, in violation of the antimerger provision through the acquisition of International Color by the Greater Buffalo Press and discounting on the condition that a particular newspaper not deal with competing syndicates.

United States v. *American Gas Co, et al.* (eastern district of Wisconsin). This is a suit alleging violations of section 1 of the Sherman Act (price fixing) in the sale and distribution of pulp wood (aspen, spruce, pine, hemlock, and balsam) used in the manufacture of paper products, in the Upper Peninsula comprised of Michigan and northeastern Wisconsin. The Government has charged a conspiracy by the defendants and others to restrain price competition by exchanging current and future price information, holding annual meetings to establish uniform prices, preventing smaller producers from enjoying a free competitive market and suppressing press reporting of the meetings to avoid price competition.

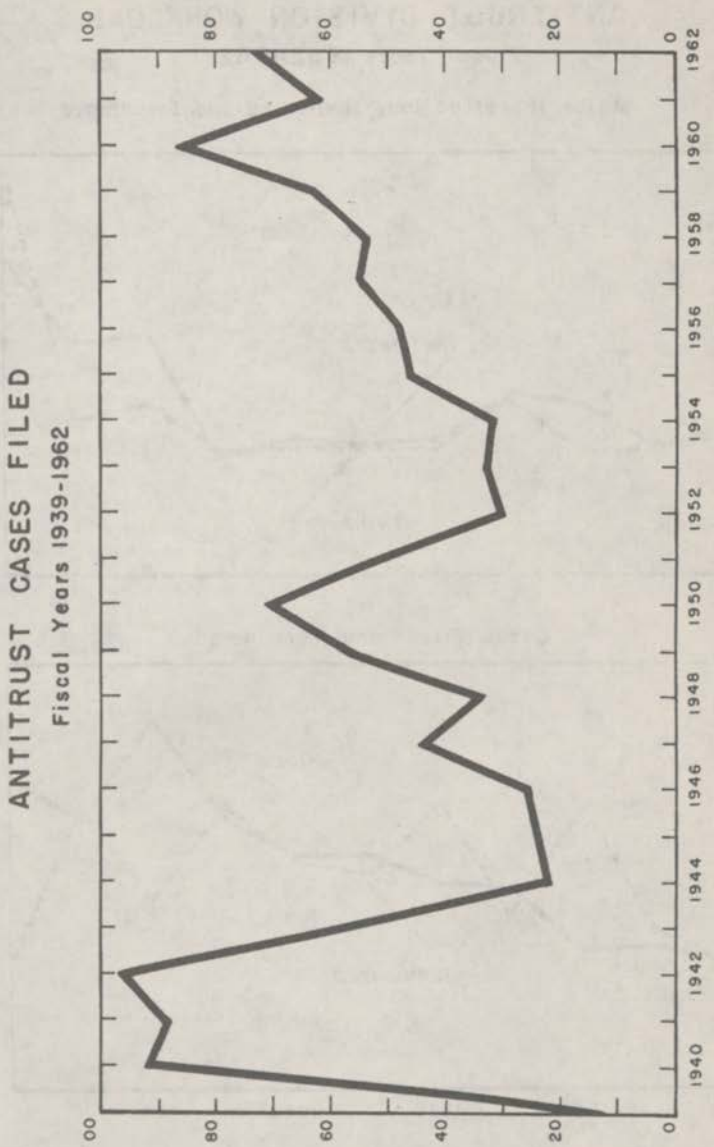
United States v. *Consolidated Papers Incorporated, et al.* (western district of Wisconsin). This indictment and complaint are similar to that involving American Can in that they allege violation of section 1 of the Sherman Act (price fixing) in pulpwood in central Wisconsin. The charges are substantially the same as in the *American Can* case.

United States v. *Lever Brothers Company, et al.* (southern district of New York). This case involves synthetic detergents on a nationwide basis. The Government has alleged a section 7, Clayton Act, merger violation in that the acquisition of the Monsanto Chemical Co. by Lever Bros. (in return for which Lever obligated itself to buy Monsanto products) eliminates competition between them and lessens competition in the synthetic detergent industry.

United States v. *Continental Illinois National Bank & Trust Co. of Chicago, et al.* (northern district of Illinois). This civil case is concerned with banking in the Chicago area. Besides Continental, the City National Bank & Trust Co. of Chicago is named a defendant. The Government has alleged violations of sections 1 of the Sherman Act and 7 of the Clayton Act (merger and the elimination of competition). The charge is that the actual and potential competition between the defendants would be permanently eliminated by merger, and existing and potential competition generally in commercial banking in the Chicago area would be substantially unreasonably lessened.

United States v. *Flynn-Learner, et al.* (District of Hawaii). This is a criminal case involving scrap metal in the area of Hawaii, including exports to Japan. Violations of sections 1 and 3 of the Sherman Act and section 381 of title 18 of the United States Code (price fixing, bid rigging, and fraud) are alleged. The indictment charges a conspiracy to fix prices to allocate between the defendants, Flynn-Learner and National Metals, Ltd., bids to Army, Navy, Air Force, and others, and apportion the tonnage received and the profits derived, thereby depressing prices, depriving the Armed Forces of competitive bids, decreasing payments received by the Armed Forces and suppressing competition in Hawaii.

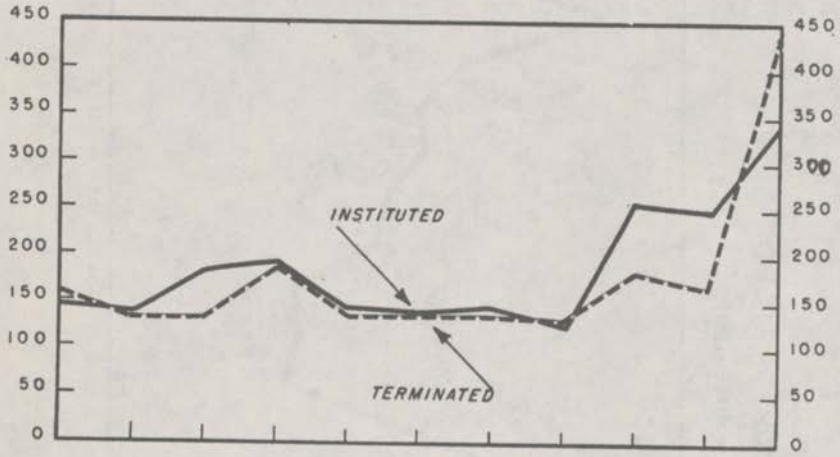
United States v. *Hawaii Retail Druggists Association* (District of Hawaii). This is a suit involving price fixing in Hawaii in drug products. The Government charges a violation of section 1 of the Sherman Act (price fixing) through a conspiracy to fix prices, interfere with the freedom of manufacturers, jobbers, and retailers to trade independently by policing their pricing activities and coercing manufacturers, jobbers and retailers to maintain prices fixed by the Retail Druggists Association, and expelling and boycotting noncooperative druggists.


ANTITRUST CASES FILED
Fiscal Years 1939-1962
100
80
60
40
20
0
1940
1942
1944
1946
1948
1950
1952
1954
1956
1958
1960
1962

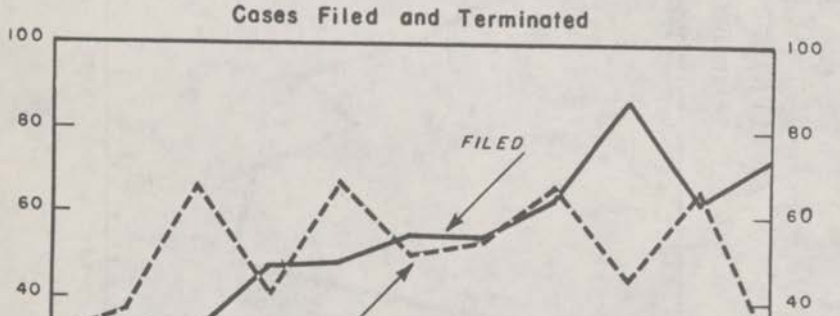
ANTITRUST DIVISION WORKLOAD

Fiscal Years 1952-1962

Major Investigations Instituted and Terminated

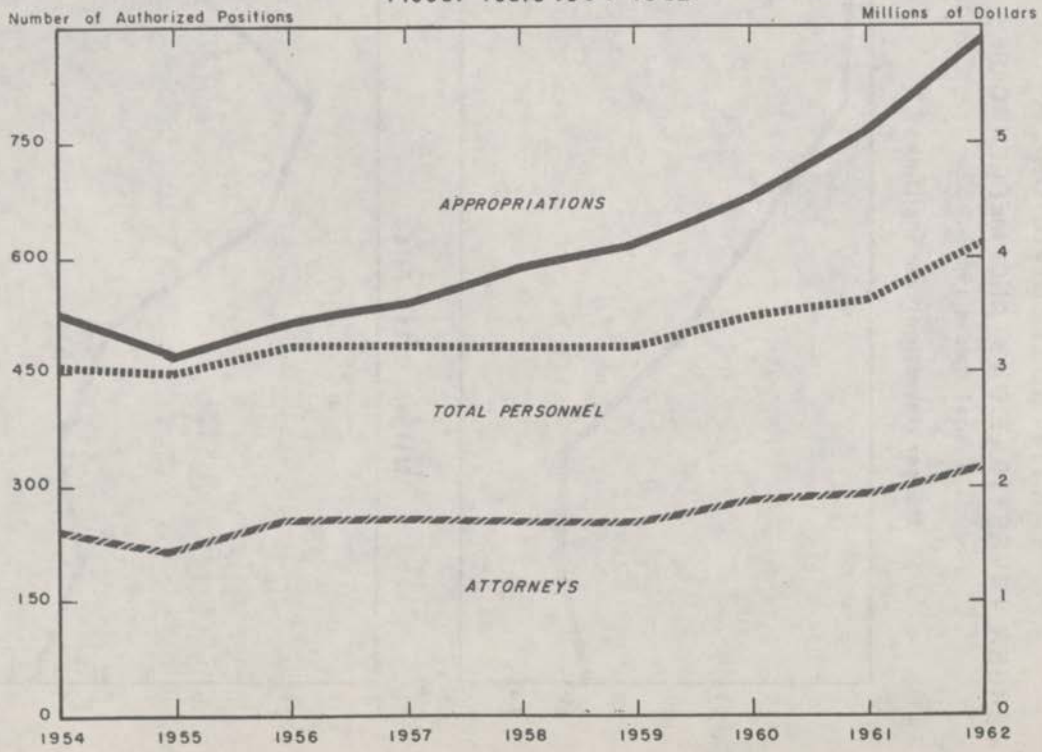


Cases Filed and Terminated

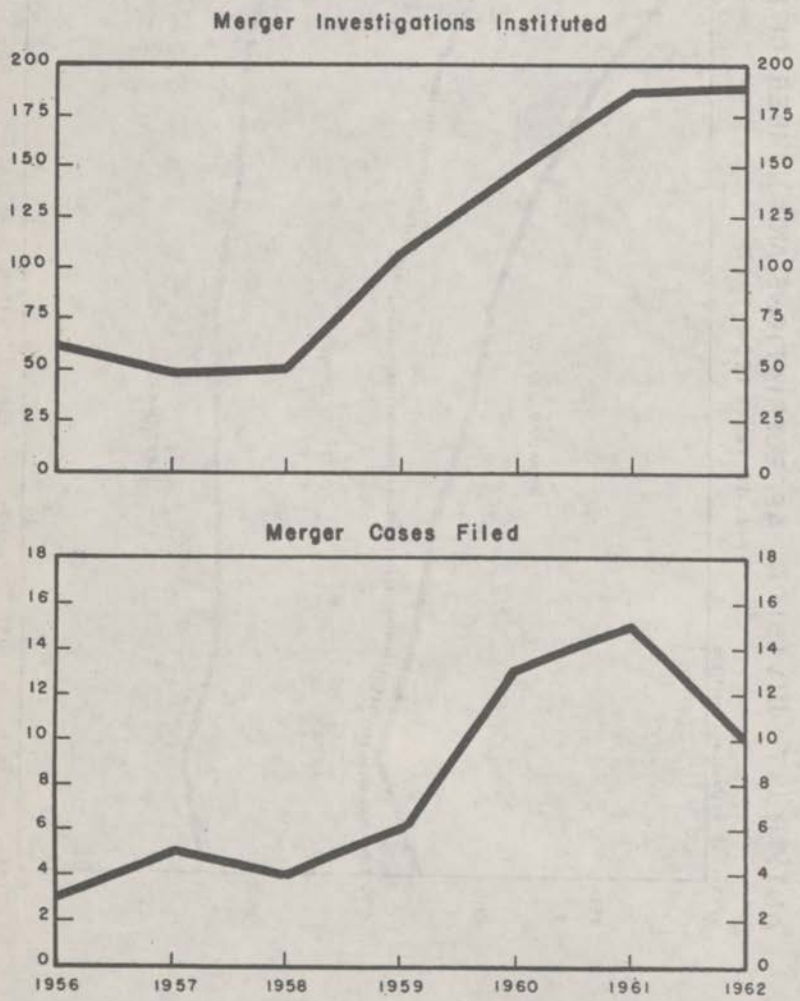


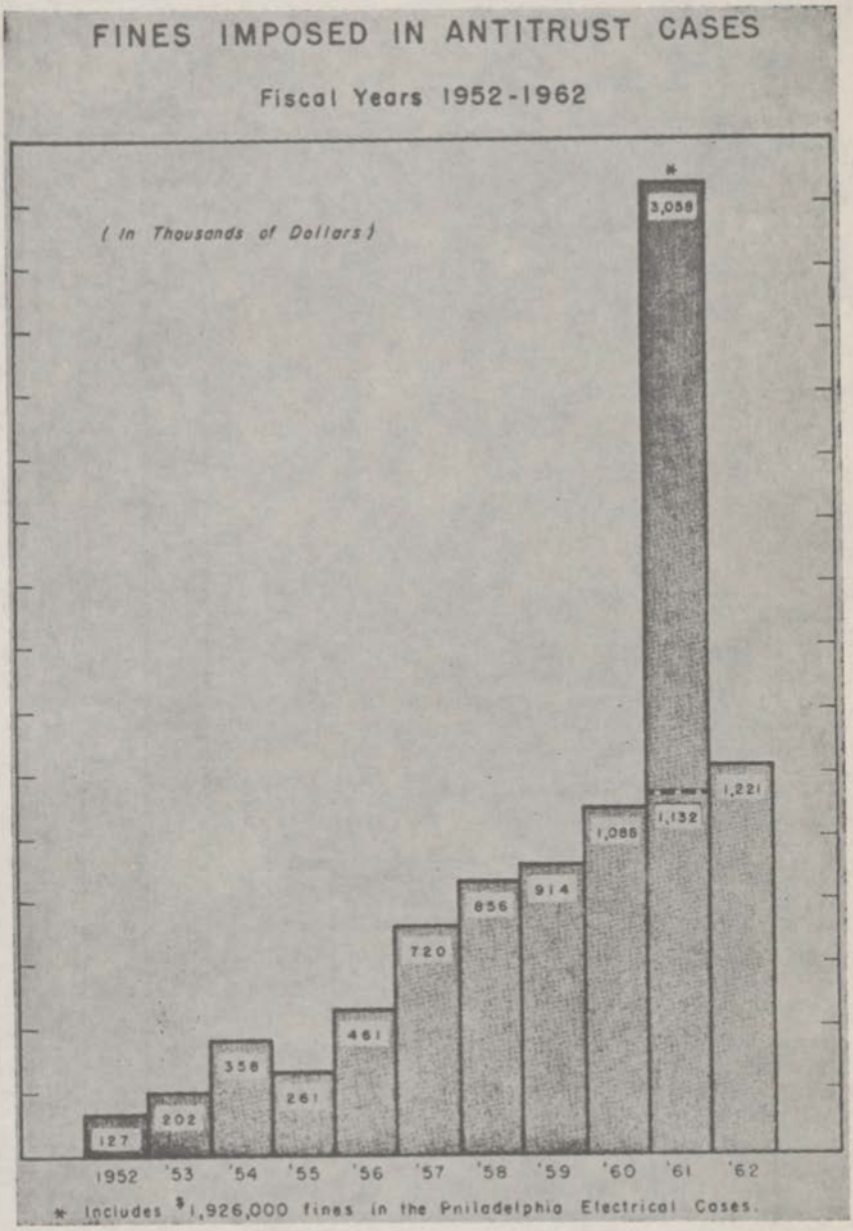
ANTITRUST DIVISION APPROPRIATIONS AND NUMBER OF POSITIONS

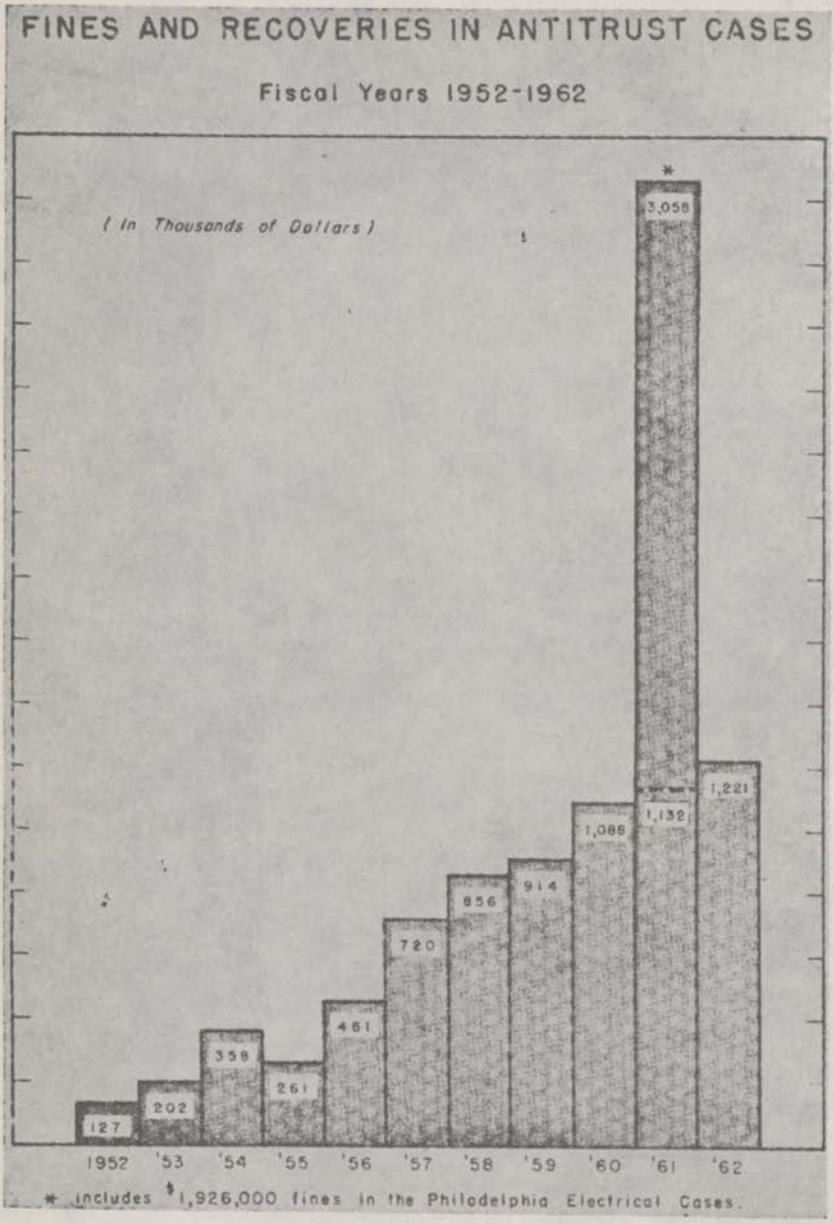
Fiscal Years 1954-1962



ANTITRUST DIVISION
MERGER INVESTIGATIONS AND MERGER CASES FILED
Fiscal Years 1956-1962



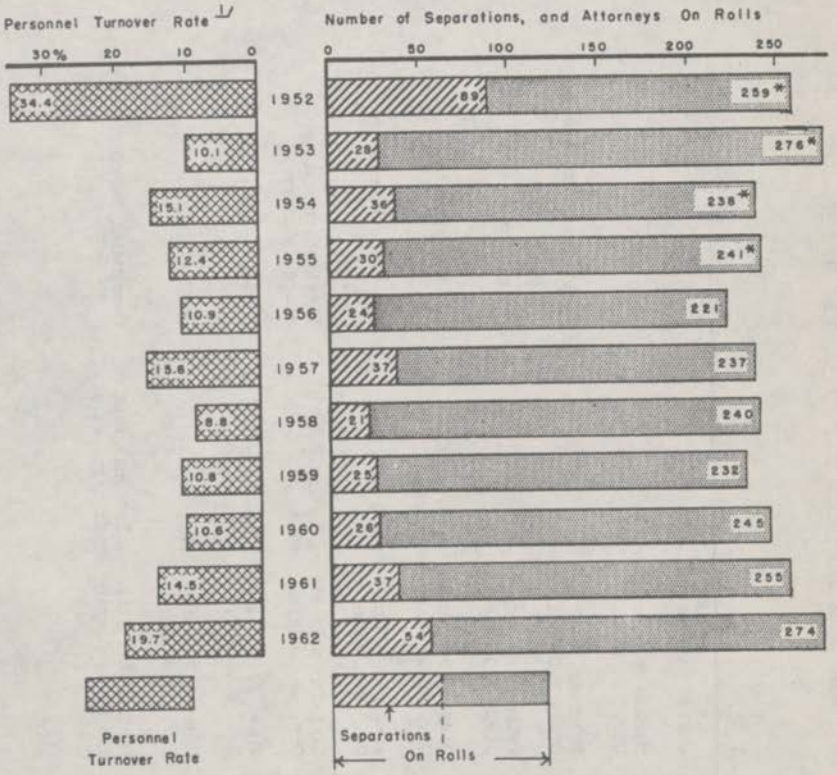

FINES IMPOSED IN ANTITRUST CASES
Fiscal Years 1952-1962
(In Thousands of Dollars)
127
202
358
261
461
720
856
914
1,088
3,058
1,132
1,221
1952
'53
'54
'55
'56
'57
'58
'59
'60
'61
'62
* Includes $1,926,000 fines in the Philadelphia Electrical Cases.


FINES AND RECOVERIES IN ANTITRUST CASES
Fiscal Years 1952-1962
(In Thousands of Dollars)
127
202
359
261
461
720
856
914
1,088
1,132
3,058
1,221
1952
'53
'54
'55
'56
'57
'58
'59
'60
'61
'62
* Includes $1,926,000 fines in the Philadelphia Electrical Cases.

ANTITRUST DIVISION ATTORNEY PERSONNEL

Number On Rolls June 30th, Separations, and Turnover Rate

Fiscal Years 1952-1962



1/ Personnel Turnover Rate arrived at by dividing number of Attorneys on rolls June 30th of each year into number of Attorney separations.

For the years 1952-1955, the "On Rolls" figures include Economists and Transportation Rate Examiners.

ANTITRUST CASES INSTITUTED JULY 1, 1961 THRU JUNE 30, 1962

Blue Book	Title of Case	Industry or Commodity	Filed
	United States v.		
1616	Morton Salt Company, et al. Civ. D. Minn.	Rock Salt	7/11/61
1617	Suburban Gas Civ. S.D. Calif.	Liquified Petroleum Gas	7/11/61
1618	*Ward Baking Company, et al. Civ. S.D. Fla.	Bakery Products	7/21/61
1619	Borg-Warner Corporation, et al. Civ. S.D. Texas (Houston)	Oil Well Servicing	7/27/61
1620	American Optical Company, et al. Cr. E.D. Wisc.	Eye Glass Lenses	8/1/61
1621	Ling-Temco Electronics, Inc., et al. Civ. N.D. Texas (Dallas)	Electronics and Aero space Industry	8/16/61
1622	Chas. Pfizer & Co., Inc., et al. Cr. S.D. N.Y.	"Wonder" Drugs	8/17/61
1623	General Dynamics Corp., et al. Civ. E.D. N.Y.	Carbon Dioxide	8/22/61
1624	Continental Illinois National Bank and Trust Company of Chicago, et al. Civ. N.D. Ill.	Commercial Banking	8/29/61

*Damage Case

Blue Book	Title of Case	Industry or Commodity	Filed
	United States v.		
1625	Manufacturers Trust Company, et al. Civ. S.D. N.Y.	Commercial Banking	9/8/61
1626	Standard Oil Company (Indiana), et al. Civ. N.D. Calif.	Crude Oil	9/19/61
1627	*Ohio Brass Company, et al. Civ. E.D. Pa.	Insulators	9/22/61
1628	General Motors Corporation, et al. Cr. S.D. Calif.	Automobiles	10/12/61
1629	The Greater New York Tailors' Expressmen Asscciation, Inc. Civ. S.D. N.Y.	Men's Clothing Carriers	10/16/61
1630	Huck Manufacturing Co., et al. Cr. E.D. Mich.	Lockbolts	10/24/61
1631	Huck Manufacturing Co., et al. Civ. E.D. Mich.	Lockbolts	10/24/61
1632	Packard-Bell Electronics Corp., et al. Cr. S.D. Calif.	Flush Doors	10/25/61
1633	South Florida Asphalt Co., et al. Cr. S.D. Fla.	Asphalt--Hot Mix and Supplies	11/15/61
1634	Ford Motor Company, et al. Civ. E.D. Mich.	Automotive Electrical Parts	11/27/61

*U.S. & TVA vs. (Damage Case)

Blue Book	Title of Case	Industry or Commodity	Filed
	United States v.		
1635	Engelhard-Henovia, Inc., et al. Cr. S.D. N.Y.	Brazing Alloys	12/5/61
1636	America Corporation, et al. Civ. S.D. Calif.	Film Processing	12/6/61
1637	Victor D. Kniss, et al. Cr. E.D. Wisc.	Eye Glass Lenses	12/11/61
1638	Minnesota Mining and Manufacturing Company. Cr. E.D. Ill.	Pressure sensitive tape, magnetic recording tape, & aluminum presensitized lithographic plates	12/13/61
1639	Hunterdon County Trust Co., et al. Civ. D. N.J.	Commercial Banking	12/26/61
1640	American Optical Co., et al. Civ. N.D. Ill.	Eye Glass Lenses	12/29/61
1641	Daystrom, Incorporated, et al. Cr. S.D. Ohio	Metal Film Resistors	1/10/62
1642	Allen-Bradley Company, et al. Cr. S.D. Ohio	Soft Ferrite Cores	1/10/62
1643	Texas Instruments Inc., et al. Cr. S.D. Ohio	Deposited Carbon Resistors	1/10/62
1644	Greater Blouse, Skirt & Neckwear Contractors Assn., Inc., et al. Civ. S.D. N.Y.	Contractors - Jobbers Ladies Blouses	1/23/62

Blue Book	Title of Case	Industry or Commodity	Filed
	United States v.		
1645	Connecticut Package Stores Assn., Inc. Cr. D. Conn.	Alcoholic Beverages	1/30/62
1646	Connecticut Package Stores Assn., Inc. Civ. D. Conn.	Alcoholic Beverages	1/30/62
1647	Anheuser-Busch, Inc., et al. Civ. E.D. Mo.	Beer	1/31/62
1648	York Corporation of Delaware Civ. M.D. Pa.	Air Conditioning and Refrigeration Equipment	2/9/62
1649	Kimberly-Clark Corporation Civ. N.D. Calif.	Paper & Paper Products	2/16/62
1650	Hubbard & Company, et al. Civ. E.D. Wisc.	Pole Line Hardware	2/20/62
1651	Gimbel Brothers, Inc., et al. Civ. E.D. Wisc.	Department Stores	3/5/62
1652	Western Winter Sports Representatives Association, Inc. Civ. N.D. Calif.	Winter Sports Accessories	3/7/62
1653	South Florida Asphalt Company, et al. Cr. S.D. Fla.	Asphalt - Hot Mix and Supplies	3/7/62
1654	Carnation Company of Washington, et al. Cr. E.D. Wash.	Milk & Milk Products	3/16/62

Blue Book	Title of Case	Industry or Commodity	Filed
	United States v.		
1655	Holiday on Ice Shows, Inc., et al. Civ. W.D. Pa.	Theatrical Ice Shows	3/27/62
1656	M. Klahr, Inc., et al. Cr. S.D. N.Y.	Venetian Blinds	4/11/62
1657	Columbia Broadcasting System, Inc. Civ. S.D. N.Y.	Broadcast Time	4/12/62
1658	H. P. Hood & Sons, Inc., et al. Cr. D. Mass.	Milk	4/24/62
1659	M. Klahr, Inc., et al. Civ. S.D. N.Y.	Venetian Blinds	4/25/62
1660	Bethlehem Steel Company, et al. Cr. S.D. N.Y.	Open Die Steel Forgings	4/26/62
1661	Johns-Manville Corporation, et al. Cr. E.D. Pa.	Asbestos-Cement Pipe and Couplings	6/1/62
1662	Greater New York Roll Bakers Association, Inc., et al. Cr. S.D. N.Y.	Frankfurter and Hamburger Rolls	6/5/62
1663	Sabrett Food Products Corporation, et al. Cr. S.D. N.Y.	Frankfurters	6/5/62
1664	Interborough Delicatessen Dealers Association, Inc., et al. Cr. S.D. N.Y.	Kosher Meats	6/5/62

Blue Book	Title of Case	Industry or Commodity	Filed
	United States v.		
1665	Greater New York Roll Bakers Association, Inc., et al. Civ. S.D. N.Y.	Frankfurter and Hamburger Rolls	6/7/62
1666	Sabrett Food Products Corporation, et al. Civ. S.D. N.Y.	Frankfurters	6/7/62
1667	Interborough Delicatessen Dealers Association, Inc., et al. Civ. S.D. N.Y.	Kosher Meats	6/7/62
1668	Standard Pressed Steel Company, et al. Cr. S.D. Calif.	Internal Wrenching Bolts	6/7/62
1669	Armour and Company, et al. Cr. S.D. Calif.	Shortening	6/13/62
1670	Corn Products Company, et al. Cr. S.D. Calif.	Salad Oil	6/13/62
1671	Handy & Harman, et al. Cr. S.D. N.Y.	Silver Mill Products	6/22/62
1672	Revlon, Inc. Civ. S.D. N.Y.	Cosmetics	6/22/62
1673	Flynn-Learner, et al. Cr. D. Hawaii	Scrap Metal	6/25/62
1674	The Learner Company, et al. Cr. D. Hawaii	Scrap Metal	6/25/62

Blue Book	Title of Case	Industry or Commodity	Filed
	United States v.		
1675	Roehr Products Company, Inc., et al. Civ. D. Conn.	Hypodermic Disposable Needles & Syringes	6/26/62
1676	Ward Baking Company, et al. Cr. E.D. Pa.	"Economy" Bread	6/27/62
1677	The Greater Washington Service Station Association Civ. D. D.C.	Service Charge Schedules	6/27/62
1678	J. L. Hammett Company, et al. Cr. E.D. Pa.	School Supplies	6/28/62
1679	Kurtz Bros., et al. Cr. E.D. Pa.	School Supplies	6/28/62
1680	Kurtz Bros., et al. Civ. E.D. Pa.	School Supplies	6/28/62
1681	J. L. Hammett Company, et al. Civ. E.D. Pa.	School Supplies	6/28/62
1682	Consolidated Papers Inc., et al. Cr. W.D. Wisc.	Pulpwood	6/28/62
1683	Consolidated Papers Inc., et al. Civ. W.D. Wisc.	Pulpwood	6/28/62
1684	American Can Company, et al. Civ. E.D. Wisc.	Pulpwood	6/28/62

Blue Book	Title of Case United States v.	Industry or Commodity	Filed
1685	Allied Appliance Company Civ. D. Mass.	Electrical Appliance	6/29/62
1686	Arnold Bakers, Inc., et al. Civ. E.D. Pa.	Bakery Products	6/29/62
1687	Ward Baking Company, et al. Civ. E.D. Pa.	"Economy" Bread	6/29/62
1688	Hawaii Retail Druggists Association Civ. D. Hawaii	Drug Products	6/29/62

CRIMINAL ANTITRUST CASES CLOSED JULY 1, 1961 THRU JUNE 30, 1962

WON

Blue Book	Name	Blue Book	Name
1316	Consolidated Laundries Corporation, et al.	1642	Allen-Bradley Company, et al.
1576	General Dynamics Corporation, et al.	1643	Texas Instruments Inc., et al.
1493	Hamilton Manufacturing Company, et al.	1569	The General Fireproofing Company, et al.
1597A	Milk Distributors Association, Inc., et al.	1570	The Shaw Walker Company, et al.
1581	Stupp Brothers Bridge & Iron Co., et al.	1571	Sperry Rand Corporation
1641	Daystrom, Inc. et al.	1462	Irving Bitz

LOST

1614	Morton Salt Company, et al.

DISMISSED BY GOVERNMENT

1221	Linen Supply Institute of Greater New York, Inc., et al.
1223	Linen Service Council of New Jersey, et al.

DISMISSED ON JURISDICTIONAL GROUNDS

1633	South Florida Asphalt Company, et al.

CRIMINAL ANTITRUST CASES CLOSED BY PLEAS - JULY 1, 1961 THRU JUNE 30, 1962

Blue Book	Name of Case	Pleas
1596	General Dynamics Corporation, et al.	Nolo Contendere & Guilty Pleas
1493	Hamilton Manufacturing Company, et al.	Nolo Contendere
1597A	Milk Distributors Association, Inc., et al.	Nolo Contendere
1581	Stupp Brothers Bridge & Iron Company, et al.	Nolo Contendere
1641	Daystrom, Incorporated, et al.	Nolo Contendere
1642	Allen-Bradley Company, et al.	Nolo Contendere
1643	Texas Instruments Inc., et al.	Nolo Contendere
1569	The General Fireproofing Company, et al.	Nolo Contendere
1570	The Shaw-Walker Company, et al.	Nolo Contendere
1571	Sperry Rand Corporation	Nolo Contendere

CRIMINAL ANTITRUST CASES TERMINATED BY LITIGATION JULY 1, 1961 THRU JUNE 30, 1962

WON

Blue Book	Name
1316	Consolidated Laundries Corporation, et al.
1462	Irving Bitz

LOST

1614	Morton Salt Company, et al.

DISMISSED ON JURISDICTIONAL GROUNDS

1633	South Florida Asphalt Company, et al.

ANTITRUST CASES IN WHICH FINES WERE IMPOSED JULY 1, 1961 THRU JUNE 30, 1962

Name	Commodity	Fines	
* Beatrice Foods Company, et al.	Milk and Ice Cream	$15,000.00	Litigated
General Dynamics Corporation, et al.	Dry Ice	186,000.00	Nolo Contendere & Guilty Pleas
**Consolidated Laundries Corporation, et al.	Linen Suppliers	319,000.00	Litigated & Pleas
Milk Distributors Association, Inc., et al.	Milk	56,000.00	Nolo Contendere
*Avdel, Inc., et al.	Quick Release Pins	100,000.00	Litigated
Engelhard-Hanovia, Inc., et al.	Brazing Alloys	49,000.00	Nolo Contendere & Guilty Pleas
Stupp Brothers Bridge & Iron Company, et al.	Fabricating Structural Steel	82,500.00	Nolo Contendere
Daystrom, Inc., et al.	Metal Film Resistors	24,000.00	Nolo Contendere
Allen-Bradley Company, et al.	Soft Ferrite Cores	38,000.00	Nolo Contendere
Texas Instruments Inc., et al.	Deposited Carbon Resistors	72,000.00	Nolo Contendere
The General Fireproofing Company, et al.	Metal Office Furniture	170,000.00	Nolo Contendere
The Shaw-Walker Company, et al.	Metal Office Furniture	35,000.00	Nolo Contendere
Sperry Rand Corporation	Metal Office Furniture	15,000.00	Nolo Contendere
***Ward Baking Company, et al.	Bakery Products	44,000.00	

Name of Case	Commodity	Fines
San Diego Grocers Association, Inc., et al.	Groceries	$ 14,000.00 Litigated
The Greater New York Tailors' Expressmen Association, Inc.	Men's Clothing Carriers	1,000.00 Nolo Contendere
	TOTAL	$1,220,500.00

*On Appeal.
**Fines reported of $451,000.00 in Fiscal 1958 & 1959 after trial. C.C.A. reversed and pleas entered and new fines imposed.
***Forfeiture under False Claims Act in Count I.

CIVIL ANTITRUST CASES CLOSED JULY 1, 1961 THRU JUNE 30, 1962

WON

Blue Book	Name	Blue Book	Name
1401	True Temper Corporation, et al.	1486	*Blue Diamond Corporation, et al.
1476	Scott Aviation Corporation.	1554	Central Charge Service
1629	Greater New York Tailors' Expressmen Association, Inc.	1639	Hunterdon County Trust Company, et al.
1410	Sherwin-Williams Company, et al.	987	E. I. duPont de Nemours & Company, et al.
1515	Hamilton Manufacturing Company, et al.	1368	Volkswagen of America, Inc., et al.
		1425	**Standard Oil Company (New Jersey), et al.

LOST

1621	Ling-Temco Electronics, Inc., et al.

DISMISSED BY GOVERNMENT

1477	United Artists Corporation, et al.
1450	Arizona Consolidated Masonry & Plastering Contractors Association, et al.

*A consent decree as to 13 defendants and 6 dismissed by Government.
**A consent decree as to 2 defendants and 2 defendants dismissed by Government.

ANTITRUST CONSENT DECREES JULY 1, 1961 THRU JUNE 30, 1962

Blue Book	Title of Case	Date Filed & District	Fiscal 1962 Date
1401	True Temper Corporation, et al.	6/30/58 N.D. Ill.	8/1/61
1476	Scott Aviation Corporation.	9/11/59 W.D. N.Y.	11/8/61
1629	Greater New York Tailors' Expressmen Association, Inc.	10/16/61 S.D. N.Y.	11/16/61
1410	Sherwin-Williams Co., et al.	8/13/58 N.D. Ohio	1/8/62
1515	Hamilton Manufacturing Co., et al.	4/25/60 E.D. Wisc.	2/9/62
1486	Blue Diamond Corporation, et al.	11/23/59 N.D. Calif.	1/31/62
1554	Central Charge Service, Inc.	7/18/60 D. D. Columbia	3/19/62
1639	Hunterdon County Trust Co., et al.	12/26/61 D. N.J.	4/16/62
1368	Volkswagen of America, Inc., et al.	12/4/57 D. N.J.	5/7/62
1425	Standard Oil Company (New Jersey), et al.	12/2/58 W.D. Ky.	5/17/62

CIVIL ANTITTRUST CASES TERMINATED BY LITIGATION JULY 1, 1961 THRU JUNE 30, 1962

WON

Blue Book	Name
987	E. I. duPont de Nemours and Company, et al.

LOST

1621	Ling-Temco Electronics, Inc., et al.

ANTITRUST CASES PENDING JULY 1, 1962

Date Filed	Name of Case	Type & District	Commodity	Status
6/18/51	The Borden Company, et al.	Civ. N.D. Ill.	Milk	Remanded by Sup. Ct. 6/25/62
4/21/53	Standard Oil Co., (N.J.), et al.	Civ. S.D. N.Y.	Petroleum & Petroleum Products	Consent judgment as to 2 defendants. Preparing for trial.
1/11/54	Pan American World Airways, Inc., et al.	Civ. S.D. N.Y.	Air Transportation	On appeal to Sup. Ct.
3/10/54	Schine Chain Theatres Inc., et al.	Civ. W.D. N.Y.	Theatres, Motion Pictures	In process of disposing of theatre properties.
10/19/54	The Watchmakers of Switzerland Information Center, Inc., et al.	Civ. S.D. N.Y.	Jewelled Watches, Repair Parts	Awaiting opinion.
11/28/55	Brown Shoe Co., Inc., et al.	Civ. E.D. Mo.	Shoes	Affirmed 6/25/62 by Sup. Ct.
12/2/55	Federation Suisse des Association des Fabricants D'Horlogerie, et al.	Civ. S.D. N.Y.	Watchmaking Machinery	Deferred pending disposition of Watchmakers of Switzerland.
7/6/56	General Motors Corporation	Civ. E.D. Mich.	Buses	Awaiting opinion.
9/10/56	Continental Can Co., Inc., et al.	Civ. S.D. N.Y.	Containers	Awaiting opinion of court on defendants motion to dismiss.

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Date Filed	Name of Case	Type & District	Commodity	Status
10/30/56	Continental Can Co., Inc.	Civ. S.D. N.Y.	Containers	Deferred pending outcome of Continental Can (Hazel Atlas) case.
12/4/56	Owens-Illinois Glass Co.	Civ. N.D. Ohio	Containers	Pending on motion for summary judgment.
12/5/56	Driver-Harris Co., et al.	Civ. D. N.J.	Electrical Resistance Wire	Consent decree negotiations.
3/5/57	United Scenic Artists Local 829	Civ. S.D. N.Y.	Production of Plays	Preparing for trial.
3/27/57	Loew's Incorporated	Civ. S.D. N.Y.	Motion Pictures to Television	On appeal to Sup. Ct. by both parties.
4/18/57	C & C Super Corp.	Civ. S.D. N.Y.	Block Booking of Motion Pictures to Television	Same
4/18/57	Screen Gems, Inc.	Civ. S.D. N.Y.	Block Booking of Motion Pictures to Television	Same
4/18/57	Associated Artists Productions, Inc.	Civ. S.D. N.Y.	Block Booking of Motion Pictures to Television	Same
4/18/57	National Telefilm Associates, Inc.	Civ. S.D. N.Y.	Block Booking of Motion Pictures to Television	Same

Date Filed	Name of Case	Type & District	Commodity	Status
4/18/57	United Artists Corp.	Civ. S.D. N.Y.	Block Booking of Motion Pictures to Television	Same
7/22/57	El Paso Natural Gas Co., et al.	Civ. D. Utah	Natural Gas	Trial set for 9/4/62.
4/30/58	American Natural Gas Co., et al.	Cr. N.D. Ill.	Natural Gas	Awaiting opinion on defendants motion to dismiss.
5/28/58	Charles Pfizer & Company, Inc.	Civ. S.D. N.Y.	Citric Acid	Preparing for trial.
6/27/58	National Alfalfa Dehydrating and Milling Company, et al.	Civ. D. Colorado	Dehydrated Alfalfa	Pretrial discovery.
6/30/58	The White Motor Company	Civ. N.D. Ohio	Heavy Duty Trucks	On appeal by defendant to Sup. Ct.
6/30/58	Arnold, Schwinn & Co., et al.	Civ. N.D. Ill.	Bicycles, Parts and Accessories	Trial set for 9/10/62.
7/8/58	Lever Brothers Co., et al.	Civ. S.D. N.Y.	Synthetic Detergents	Preparing for trial.
8/28/58	Beatrice Foods Co., et al.	Cr. D. Nebraska	Milk & Cream	On appeal to C.C.A. by defendant.
10/7/58	Standard Oil Co., et al. (South Bend)	Cr. N.D. Indiana	Gasoline	On appeal to C.C.A. by defendant.

Date Filed	Name of Case	Type & District	Commodity	Status
11/24/58	General Electric Co., et al.	Civ. S.D. N.Y.	Radio & Television	Consent decree with one defendant. Trial date for remaining defendant in Oct.
3/11/59	Greater Blouse, Skirt & Neckwear Contractors Association, Inc., et al.	Cr. S.D. N.Y.	Contractors - Jobbers Ladies Blouses	Trial set for 10/8/62.
5/27/59	Los Angeles Meat and Provision Drivers Union, Local 626, et al.	Civ. S.D. Calif.	Yellow Grease Waste Grease	On appeal by defendant to Sup. Ct.
6/5/59	San Diego Grocers Association, Inc., et al.	Cr. S.D. Calif.	Grocers	Defendants found guilty, fines imposed & appeal period not up.
6/22/59	Kennecott Copper Corp.	Civ. S.D. N.Y.	Copper	Preparing for trial.
7/13/59	Brunswick-Balke-Collender Co., et al.	Cr. E.D. Wisc.	Folding Gymnasium Bleachers	All but 2 defendants have entered nolo pleas. Awaiting trial after termination of civ. case.
7/30/59	Brunswick-Balke-Collender Co., et al.	Civ. E.D. Wisc.	Folding Gymnasium Bleachers	Judgment entered & Gov't. considering appeal.
8/24/59	Diebold, Inc., et al.	Civ. S.D. Ohio	Bank Vaults Vault Doors	Sup. Ct. remanded case for trial.
9/16/59	National Dairy Products Corp., et al.	Cr. W.D. Mo.	Milk	On appeal by Gov't from Robinson-Patman Act charge & reargument set for fall.
10/1/59	Pabst Brewing Co., et al.	Civ. E.D. Wisc.	Beer	Pre-trial conferences being held.

Date Filed	Name of Case	Type & District	Commodity	Status
10/16/59	General Motors Corporation	Civ. N.D. Ohio	Earth Moving Equipment	Preparing for trial.
11/20/59	National Homes Corporation	Civ. N.D. Ind.	Prefabricated Homes	Awaiting assignment of judge.
12/22/59	The Singer Manufacturing Co.	Civ. S.D. N.Y.	Sewing Machines	Gov't. has noted an appeal.
12/28/59	Renault, Inc., et al.	Civ. S.D. N.Y.	Automobiles	Proposed consent decree filed 6/29/62.
12/31/59	San Diego Grocers Association	Civ. S.D. Calif.	Groceries	Deferred pending criminal case.
1/11/60	Southeast Texas Chapter, Natl., Electrical Contractors Association, et al.	Cr. S.D. Texas	Electrical Contractors	Pending on defendants motion for bill of particulars.
1/27/60	Carter Products, Inc., et al.	Civ. S.D. N.Y.	Tranquilizing Drugs	Consent decree negotiations.
2/15/60	National Steel Corp., et al.	Civ. S.D. Texas	Steel	Pre-trial.
2/16/60	Westinghouse Electric Corp., et al.	Civ. E.D. Pa.	Power Switchgear Assemblies.	Consent decree negotiations.
2/16/60	General Electric Co., et al.	Civ. E.D. Pa.	Oil & Air Circuit Breakers.	Consent decree negotiations.

Date Filed	Name of Case	Type & District	Commodity	Status
2/16/60	I-T-E Circuit Breaker Co., et al.	Civ. E.D. Pa.	Low Voltage Power Circuit Breakers	Consent decree negotiations.
2/17/60	Ohio Brass Company, et al.	Civ. E.D. Pa.	Insulators	Consent decree negotiations.
2/17/60	McGraw-Edison Co., et al.	Civ. E.D. Pa.	Station Lightning Arresters	Consent decree negotiations.
2/17/60	Lapp Insulator Co., Inc., et al.	Civ. E.D. Pa.	Bushings	Consent decree negotiations.
2/25/60	Von's Grocery Co., et al.	Civ. S.D. Calif.	Groceries	Preparing for trial.
4/1/60	Aluminum Co. of America, et al.	Civ. N.D. N.Y.	Wire & Cable Products	Awaiting opinion.
5/19/60	Federal Pacific Electric Co., et al.	Civ. E.D. Pa.	Power Switching Equipment	Consent decree negotiations.
5/19/60	H. K. Porter Co., Inc., et al.	Civ. E.D. Pa.	Isolated Phase buses	Consent decree negotiations.
5/19/60	I-T-E Circuit Breaker Co., et al.	Civ. E.D. Pa.	Navy & Marine Switchgear	Consent decree negotiations.
5/25/60	Westinghouse Electric Corp., et al.	Civ. E.D. Pa.	Power Transformers	Consent decree negotiations.
5/25/60	General Electric Co., et al.	Civ. E.D. Pa.	Distribution Transformers	Consent decree negotiations.

Date Filed	Name of Case	Type & District	Commodity	Status
5/25/60	McGraw-Edison Company, et al.	Civ. E.D. Pa.	Network Transformers	Consent decree negotiations.
5/25/60	Allis-Chalmers Mfg. Co., et al.	Civ. E.D. Pa.	Instrument Transformers	Consent decree negotiations.
5/31/60	Serta Associates, Inc.	Civ. N.D. Ill.	Mattresses	Pretrial discovery.
5/31/60	Sealy, Inc.	Civ. N.D. Ill.	Mattresses	Pretrial discovery.
5/31/60	The Spring-Air Company	Civ. N.D. Ill.	Mattresses	Pretrial discovery.
6/17/60	Los Angeles Meat & Provision Drivers Union, Local 626	Civ. S.D. Calif.	Meat Vendors	Case suspended pending outcome of appeal in Los Angeles Meat & Provision Drivers.
6/21/60	Arizona Pharmaceutical Association	Civ. D. Arizona	Prescription Drugs	Trial set for 10/16/62.
6/22/60	Allen-Bradley Co., et al.	Civ. E.D. Pa.	Control Equipment	Consent decree negotiations.
6/23/60	Cutler-Hammer, Inc., et al.	Civ. E.D. Pa.	Low Voltage Equipment	Consent decree negotiations.
6/28/60	Union Carbide	Civ. W.D. Mo.	Prestone	Pretrial conference.
6/28/60	Bliss & Laughlin, Inc.	Civ. S.D. Calif.	Steel Bars	Gov't has noted appeal to Sup. Ct.

Date Filed	Name of Case	Type & District	Commodity	Status
6/28/60	Becton, Dickinson & Co.	Civ. D. N.J.	Hypodermic Syringes	Preparing for trial.
6/29/60	General Electric Co., et al.	Civ. E.D. Pa.	Turbine-Generator Units	Consent decree negotiations.
6/29/60	Foster-Wheeler Corp., et al.	Civ. E.D. Pa.	Turbine Generator Units	Consent decree negotiations.
6/30/60	Dempster Bros., Inc., et al.	Civ. E.D. Tenn.	Handling Equipment	Proposed judgment filed 6/5/62.
6/30/60	Cunningham Drug Stores, Inc.	Civ. E.D. Mich.	Drugstores	Pretrial.
8/25/60	West Virginia Pulp and Paper Company	Civ. S.D. N.Y.	Envelopes	Preparing for trial.
9/15/60	Cornell-Dubilier Electric Corporation, et al.	Civ. E.D. Pa.	Power Capacitors	Consent decree negotiations.
10/5/60	American Cyanamid Company	Civ. S.D. N.Y.	Dicyandiamide (Limestone)	Pretrial discovery.
10/20/60	Sangamo Electric Co., et al.	Civ. E.D. Pa.	Watt-hour Meters	Consent decree negotiations.
11/10/60	A. P. Parts Corp., et al.	Civ. N.D. Ohio	Automotive Exhaust System & Parts.	Pretrial.

Date Filed	Name of Case	Type & District	Commodity	Status
12/9/60	Phillips Petroleum Co., et al.	Civ. S.D. Calif.	Petroleum Products	Pretrial.
12/14/60	Northern California Pharmaceutical Association, et al.	Cr. N.D. Calif.	Prescription Drugs	C.C.A. affirmed District Court 6/27/62.
12/28/60	The General Fireproofing Co., et al.	Civ. W.D. N.Y.	Metal Office Furniture	Consent decree negotiations.
12/28/60	Sperry Rand Corporation, et al.	Civ. W.D. N.Y.	Metal Office Furniture	Consent decree negotiations.
12/28/60	The Shaw-Walker Co., et al.	Civ. W.D. N.Y.	Metal Office Furniture	Consent decree negotiations.
12/28/60	Northern California Pharmaceutical Association, et al.	Civ. N.D. Calif.	Prescription Drugs	Held in abeyance pending criminal case, appeal.
1/6/61	Greater Buffalo Press, Inc., et al.	Civ. W.D. N.Y.	Color Comic Supplements	Preliminary injunction granted 6/22/62.
1/6/61	Penn-Olin Chemical Co., et al.	Civ. D. Del.	Sodium Chlorate	Trial concluded & final argument to be held.
1/19/61	The General Cable Corporation	Civ. S.D. N.Y.	Wire & Cables	Discovery proceedings.
1/19/61	American Smelting and Refining Co., et al.	Civ. S.D. N.Y.	Wire & Cables	Discovery proceedings.
2/17/61	Koppers Company, Inc., et al.	Civ. W.D. Pa.	Metal Couplings	On appeal by defendant to Supreme Court.

Date Filed	Name of Case	Type & District	Commodity	Status
2/25/61	The Philadelphia National Bank, et al.	Civ. E.D. Pa.	Commercial Banks	Gov't appealing to Sup. Ct.
3/ 1/61	First National Bank and Trust Company of Lexington, et al.	Civ. E.D. Ky.	Commercial Banks	Trial concluded. Awaiting out appeal in Phila. Bank case.
3/ 2/61	Bank Stock Corporation of Milwaukee et al.	Civ. E.D. Wisc.	Commercial Banking	Discovery proceedings.
3/ 6/61	Idaho State Pharmaceutical Association Inc.	Civ. D. Idaho	Prescription Drugs	Pretrial.
3/ 7/61	Utah Pharmaceutical Association	Civ. D. Utah	Prescription Drugs	Defendants have noted appeal to C.C.A.
3/14/61	*General Electric Co., et al.	Civ. E.D. Pa.	Heavy Electrical Equipment	Consent decree negotiations.
4/ 7/61	Chrysler Corporation, et al.	Civ. N.D. Ind.	Automobiles	Preparing for trial.
4/11/61	*U.S. & TVA v. Westinghouse Electric Corporation, et al.	Civ. E.D. Pa.	Power Switchgear	Consent decree negotiations.
4/11/61	*U.S. & TVA v. Westinghouse Electric Corporation, et al.	Civ. E.D. Pa.	Power Transformers	Consent decree negotiations.
4/11/61	*U.S. & TVA v. General Electric Company, et al.	Civ. E.D. Pa.	Turbine Generators	Consent decree negotiations.

Date Filed	Name of Case	Type & District	Commodity	Status
4/11/61	*General Electric Company, et al.	Civ. E.D. Pa.	Transmission or distribution	Consent decree negotiations.
4/11/61	*Cutler-Hammer, Inc., et al.	Civ. E.D. Pa.	Low Voltage Distribution	Consent decree negotiations.
4/11/61	*I-T-E- Circuit Breaker Co., et al.	Civ. E.D. Pa.	Low Voltage Circuit Breakers	Consent decree negotiations.
4/12/61	General Motors Corporation	Cr. N.D. Ill.	Railroad Locomotive	Discovery proceedings.
4/13/61	Grinnell Corporation, et al.	Civ. D. R.I.	Fire & Burglar Alarms	Discovery proceedings.
4/27/61	Aluminum Co. of America, et al.	Civ. E.D. Mo.	Architectural Aluminum Products	Pending on Gov't. motion for preliminary injunction.
4/27/61	Kaiser Aluminum & Chemical Corp., et al.	Civ. E.D. Mo.	Aluminum	Pretrial
4/28/61	Kaiser Aluminum & Chemical Corp., et al.	Civ. D. R.I.	Aluminum	Discovery proceedings.
5/2/61	Avdel, Inc.	Cr. S.D. Calif.	Quick Release Pins	Defendants have noted appeal.
5/16/61	A. P. Woodson Co., et al.	Cr. D. Columbia	Building Materials	On appeal from dismissal of individual defendants.

* Damage Cases

Date Filed	Name of Case	Type & District	Commodity	Status
5/16/61	Continental Oil Co.	Civ. D. N. Mex.	Crude Oil	Discovery proceedings.
6/ 6/61	Hubbard and Company, et al.	Cr. E.D. Wisc.	Pole Line Hardware	Pretrial.
6/30/61	North American Van Lines, Inc., et al.	Cr. S.D. Ind.	Moving Household Goods	Awaiting argument on motion of primary jurisdiction.
7/11/61	Morton Salt Company, et al.	Civ. D. Minn.	Rock Salt	Consent by one defendant.
7/11/61	Suburban Gas	Civ. S.D. Calif.	Liquified Petroleum Gas	Consent decree negotiations.
7/21/61	*Ward Baking Co., et al.	Civ. S.D. Fla.	Bakery Products	Pending court's decision on defendants' proposed judgment.
7/27/61	Borg-Warner Corp., et al.	Civ. S.D. Texas	Oil Well Servicing	Consent decree negotiations
8/ 1/61	American Optical Company, et al.	Cr. E.D. Wisc.	Eye Glass Lenses	Preparing for trial
8/17/61	Chas. Pfizer & Co., Inc., et al.	Cr. S.D. N.Y.	"Wonder" Drugs	Pretrial discovery.
8/22/61	General Dynamics Corp., et al.	Civ. E.D. N.Y.	Carbon Dioxide	Held in abeyance for 30 days after criminal case which ended 12/15/61.

* Damage Case

Date Filed	Name of Case	Type & District	Commodity	Status
8/29/61	Continental Illinois National Bank & Trust Company of Chicago, et al.	Civ. N.D. Ill.	Commercial Banking	Pretrial conferences.
9/ 8/61	Manufacturers Hanover Trust Company	Civ. S.D. N.Y.	Commercial Banking	Awaiting opinion
9/19/61	Standard Oil Company (Indiana), et al.	Civ. N.D. Ill.	Crude Oil	Pretrial
9/22/61	*U.S. & TVA v. Ohio Brass Company, et al.	Civ. E.D. Pa.	Insulators	Consent negotiations.
10/12/61	General Motors Corporation, et al.	Cr. S.D. Calif.	Automobiles	Discovery proceedings.
10/24/61	Huck Manufacturing Co., et al.	Cr. E.D. Mich.	Lockbolts	Defendants' motion to dismiss denied 6/29/62. Preparing for trial.
10/24/61	Huck Manufacturing Co., et al.	Civ. E.D. Mich.	Lockbolts	Held in abeyance pending disposition of criminal case.
10/25/61	Packard-Bell Electronics Corp., et al.	Cr. S.D. Calif.	Flush Doors	Trial set for 1/8/63
11/27/61	Ford Motor Company, et al.	Civ. E.D. Mich.	Automotive Electrical Parts	Preparing for trial.
12/ 5/61	Engelhard-Hanovia, Inc., et al.	Cr. S.D. N.Y.	Brazing Alloys	Gov't. has appealed dismissal of individuals.
12/ 6/61	American Corporation, et al.	Civ. S.D. Calif.	Film processing	Pretrial

* Damage Case

Date Filed	Name of Case	Type & District	Commodity	Status
12/11/61	Victor D. Kniss, et al.	Cr. E.D. Wisc.	Eye Glass Lenses	In abeyance pending American Optical 61 Cr. 82.
12/13/61	Minnesota Mining & Manufacturing Company	Cr. E.D. Ill.	Pressure sensitive tape, magnetic recording tape, & aluminum presensitized lithographic plates	Defendants motion to transfer pending.
12/29/61	American Optical Company, et al.	Civ. N.D. Ill.	Eye Glass Lenses	Pending on defendants' motion to transfer.
1/23/62	Greater Blouse, Skirt & Neckwear Contractors Association, Inc., et al.	Civ. S.D. N.Y.	Contractors - Jobbers - Ladies Blouses	Consent decree negotiations.
1/30/62	Connecticut Package Stores Assn., Inc.	Cr. D. Conn.	Alcoholic Beverages	Pretrial. Trial tentatively set for Oct.
1/30/62	Connecticut Package Stores Assn., Inc.	Civ. D. Conn.	Alcoholic Beverages	In abeyance pending criminal case.
1/31/62	Anheuser-Busch, Inc., et al.	Civ. E.D. Mo.	Beer	Pretrial discovery.
2/ 9/62	York Corporation of Delaware	Civ. M.D. Pa.	Air Conditioning and Refrigeration Equipment	Pretrial discovery.
2/16/62	Kimberly-Clark Corporation	Civ. N.D. Calif.	Paper & Paper Products	Pretrial discovery.

Date Filed	Name of Case	Type & District	Commodity	Status
3/ 5/62	Gimbel Brothers, Inc., et al.	Civ. E.D. Wisc.	Department Stores	Pretrial
3/ 7/62	Western Winter Sports Representatives Association, Inc.	Civ. N.D. Calif.	Winter Sports Accessories	Awaiting answer.
3/ 7/62	South Florida Asphalt Company, et al.	Cr. S.D. Fla.	Asphalt-Hot Mix and Supplies	Gov't. has appealed to C.C.A.
3/16/62	Carnation Company of Washington, et al.	Cr. E.D. Wash.	Milk & Milk Products	Pretrial.
3/27/62	Holiday on Ice Shows, Inc., et al.	Civ. W.D. Pa.	Theatrical Ice Shows	Consent decree negotiations.
4/11/62	M. Klahr, Inc., et al.	Cr. S.D. N.Y.	Venetian Blinds	Pretrial.
4/12/62	Columbia Broadcasting System, Inc.	Civ. S.D. N.Y.	Broadcast Time	Pretrial.
4/24/62	H. P. Hood & Sons, Inc., et al.	Cr. D. Mass.	Milk	Pretrial.
4/25/62	M. Klahr, Inc., et al.	Civ. S.D. N.Y.	Venetian Blinds	Pretrial.
4/26/62	Bethlehem Steel Company, et al.	Cr. S.D. N.Y.	Open Die Steel Forgings	Pretrial
6/ 1/62	Johns-Manville Corporation, et al.	Cr. E.D. Pa.	Asbestos-Cement Pipe & Couplings	Awaiting Arraignment

Date Filed	Name of Case	Type & District	Commodity	Status
6/ 5/62	Greater New York Roll Bakers Association, Inc., et al.	Cr. S.D. N.Y.	Frankfurter & Hamburger Rolls	Awaiting arraignment.
6/ 5/62	Sabrett Food Products Corporation, et al.	Cr. S.D. N.Y.	Frankfurters	Awaiting arraignment.
6/ 5/62	Interborough Delicatessen Dealers Association, Inc., et al.	Cr. S.D. N.Y.	Kosher Meats	Awaiting arraignment.
6/ 7/62	Greater New York Roll Bakers Association, Inc., et al.	Civ. S.D. N.Y.	Frankfurter & Hamburger Rolls	Awaiting answer.
6/ 7/62	Sabrett Food Products Corporation, et al.	Civ. S.D. N.Y.	Frankfurters	Awaiting answer.
6/ 7/62	Interborough Delicatessen Dealers Association, Inc., et al.	Civ. S.D. N.Y.	Kosher Meats	Awaiting answer.
6/ 7/62	Standard Pressed Steel Company, et al.	Cr. S.D. Calif.	Internal Wrenching Bolts.	Awaiting arraignment.
6/13/62	Armour and Company, et al.	Cr. S.D. Calif.	Shortening	Awaiting arraignment.
6/13/62	Corn Products Company, et al.	Cr. S.D. Calif.	Salad Oil	Awaiting arraignment.
6/22/62	Handy & Harman, et al.	Cr. S.D. N.Y.	Silver Mill Products	Awaiting arraignment.
6/22/62	Revlon, Inc.	Civ. S.D. N.Y.	Cosmetics	Awaiting answer.

Date Filed	Name of Case	Type & District	Commodity	Status
6/25/62	Flynn-Learner, et al.	Cr. D. Hawaii	Scrap Metal	Awaiting arraignment.
6/25/62	The Learner Company, et al.	Cr. D. Hawaii	Scrap Metal	Awaiting arraignment.
6/26/62	Roehr Products Company, Inc., et al.	Civ. D. Conn.	Hypodermic Needles & Syringes	Awaiting answer.
6/27/62	Ward Baking Company, et al.	Cr. E.D. Pa.	"Economy" Bread	Awaiting arraignment.
6/27/62	The Greater Washington Service Station Association	Civ. D. Columbia	Service Charge Schedules	Proposed consent judgment filed.
6/28/62	J. L. Hammett Company, et al.	Cr. E.D. Pa.	School Supplies	Awaiting arraignment.
6/28/62	Kurtz Bros., et al.	Cr. E.D. Pa.	School Supplies	Awaiting arraignment.
6/28/62	Kurtz Bros., et al.	Civ. E.D. Pa.	School Supplies	Awaiting answer.
6/28/62	J. L. Hammett Company, et al.	Civ. E.D. Pa.	School Supplies	Awaiting answer.
6/28/62	Consolidated Papers Inc., et al.	Cr. W.D. Wisc.	Pulpwood	Awaiting arraignment.
6/28/62	Consolidated Papers Inc., et al.	Civ. W.D. Wisc.	Pulpwood	Awaiting answer.

Date Filed	Name of Case	Type & District	Commodity	Status
6/28/62	American Can Company, et al.	Civ. E.D. Wisc.	Pulpwood	Awaiting answer.
6/29/62	Allied Appliance Company	Civ. D. Mass.	Electrical Appliances	Awaiting answer.
6/29/62	Arnold Bakers, Inc., et al.	Civ. E.D. Pa.	Bakery Products	Awaiting answer.
6/29/62	Ward Baking Company, et al.	Civ. E.D. Pa.	"Economy" Bread	Awaiting answer.
6/29/62	Hawaii Retail Druggists Association	Civ. D. Hawaii	Drug Products	Awaiting answer.

Comparative summary of workload statistics by fiscal years—Antitrust Division

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
Antitrust cases:																	
Filed	26	44	34	57	71	51	30	33	32	47	48	55	54	63	86	62	73
Appealed	2	12	5	10	12	11	8	5	10	3	9	10	9	7	8	3	17
Terminated	33	41	35	51	38	61	30	36	66	41	67	50	53	66	45	[1] 66(73)	[1] 30(37)
Pending	110	113	112	118	151	141	147	144	110	116	97	102	103	100	141	137	180
Investigations:																	
Instituted	112	60	127	238	180	186	148	138	181	188	143	139	144	124	253	249	336
Terminated	191	112	38	195	198	190	158	127	128	183	130	130	131	126	179	164	442
Pending	163	111	200	243	225	221	211	222	275	280	293	302	315	313	481	566	460
Kindred law cases:																	
Instituted	73	73	68	------	72	------	------	------	------	------	81	82	73	65	76	89	195
Terminated	99	81	69	------	64	------	------	------	------	------	64	94	78	65	68	73	102
Pending	130	122	73	------	54	------	------	------	------	------	49	37	32	32	40	56	173
Agency proceedings [2]	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	171	[2]335

[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 prior years.

Workload statement—Antitrust Division

	Fiscal years								
	1954	1955	1956	1957	1958	1959	1960	1961	1962
Antitrust cases:									
District courts:									
Civil:									
Pending beginning of year	106	76	82	62	72	77	65	101	111
Filed during year	18	30	25	37	32	21	59	40	41
Terminated during year	48	24	45	27	27	33	23	30	14
Won	38	[2] 22	[4] 33	25	26	28	22	23	10
Lost	6	2	9	2	1	1	0	3	1
Dismissed on Government's motion	[1] 4	0	[5] 3	0	0	[8] 4	[10] 1	[11] 4	[12] 3
Pending end of year	76	82	62	72	77	65	101	111	138
Criminal:									
Pending beginning of year	38	34	34	35	30	26	35	40	26
Filed during year	14	17	23	18	22	42	27	22	32
Terminated during year	18	17	[5] 22	23	26	33	22	36	16
Won	17	11	16	18	16	[9] 30	17	35	12
Lost	0	2	2	4	6	3	5	1	1
Dismissed on jurisdictional grounds									1
Dismissed on Government's motion	1	[3] 4	[5] 4	[6] 1	[7] 4	0	0	0	[13] 2
Pending end of year	34	34	35	30	26	35	40	26	42
Courts of appeals:									
Pending beginning of year	1	2	1	5	5	3	1	5	1
Filed during year	3	1	6	5	3	2	5	0	6
Terminated during year	2	2	2	5	5	4	1	4	3
Won	2	2	1	5	0	4	1	3	[14] 2
Lost	0	0	1	0	[15] 5	0	0	1	1
Pending end of year	2	1	5	5	3	1	5	1	4
Supreme Court:									
Pending beginning of year	0	3	3	4	4	3	3	3	3
Filed during the year	7	2	3	5	6	5	3	3	11
Terminated during year	4	2	2	5	7	5	3	3	2
Won	3	2	1	4	6	3	3	3	2
Lost	1	0	1	1	[15] 1	[16] 2	0	0	0
Pending end of year	3	3	4	4	3	3	3	3	12
Major investigations:									
Pending beginning of year	222	275	280	293	302	315	[1] 407	481	566
Instituted during year	181	188	143	139	144	124	253	249	336
Disposed of during year	128	183	130	130	131	126	179	164	442
Cases	26	36	30	24	30	34	42	32	26
Consolidations	4	3	4	2	2	3	5	2	5
Terminated	98	144	96	104	99	89	132	130	411
Pending end of year	275	280	293	302	315	313	481	566	460

[1] *Columbia Gas:* Relief obtained by other means. *Cement Institute:* Issues moot. *Sunbeam Corp.:* Without prejudice by stipulation because of McGuire Act. *Armour & Co.:* Because of Court's cutoff date and lack of substantial evidence subsequent thereto, Government was compelled to dismiss.

[2] *Western Penn. Sand & Gravel Assn., et al.,* Cr. 13855 (Sup. to Civ. 780) (Civ. side of case). Petition denied by Court as relief in prior judgment held to be sufficiently broad so as to cover additional relief sought.

[3] *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, and *Rhodes Department Store,* Cr. 48756; insufficient evidence to warrant trial.

[4] *National City Lines Inc., et al.,* civ., consent, issue of relief litigated and relief denied.

[5] 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 Association; Employing Lather Association. Sylvania Electric Products Corp.,* Cr., guilty pleas and one defendant tried and found not guilty.

[6] Criminal: *Maryland & Virginia Milk Producers Association, Inc.*

[7] Criminal: *Wolf; Aero Mayflower Transit; R. Potts; and Maine Lobster Co.* dismissed simultaneously with filing information.

[8] Civil: *Linen Service Council of New Jersey; Guerlain Parfums Corday, Inc. and Lanvin Parfums.*

[9] *Maryland State Licensed Beverage:* 38 nolo pleas, 12 dismissed and 3 acquitted after trial.

[10] *Standard Oil Co. of Ohio.*

[11] *Minnesota Mining and Manufacturing; Firstamerica Corp.; Procter and Gamble Co., et al.; Standard Oil Co. of California* (consent as to 1 defendant).

[12] *United Artists, Ariz., Consolidated Masonry & Plastering & Standard Oil Co.*

[13] *Linen Supply Inst. of Gr. N.Y. & Linen Service Council of N.J.*

[14] *Woodson* case certified to Supreme Court by C.C.A.

[15] Socony cases certified by CCA to Supreme Court and then dismissed by Government.

[16] *Parfums Corday:* Dismissed by Government.

[1] Adjusted to include mergers.

[2] 26 investigations closed out resulted in 46 cases civil and criminal.

Antitrust Division case workload

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
Total cases filed	26	44	34	57	71	51	30	33	32	47	48	55	54	63	86	62	73
Merger cases filed				1	1					3	3	5	4	6	13	15	10
Price fixing cases filed	13	26	30	35	44	34	10	23	16	27	31	28	35	49	59	29	58
Criminal cases filed	7	11	17	26	34	36	12	17	14	17	23	18	22	42	27	22	32
Civil cases filed	19	33	17	31	37	15	18	16	18	30	25	37	32	21	59	40	41
Cases tried	5	5	9	7	12	17	12	10	11	9	15	15	8	11	11	11	12
Total cases terminated	33	41	35	51	38	61	30	36	66	41	67	50	53	66	45	66	30
Decree signed by 1 or more but not all defendants							1	1	4	4	4		2	2	1	7	3
Cases not yet terminated due to 30-day consent decree provision [1]																	4

[1] Consent decree policy instituted June 29, 1961.

Workload statement—Antitrust Division: District court cases

Fiscal year	1954	1955	1956	1957	1958	1959	1960	1961	1962
Pending beginning of year	144	110	116	97	102	103	100	141	137
Filed during year	32	47	48	55	54	63	86	62	73
Terminated during year	66	41	67	50	53	66	45	66	30
Won	55	33	49	43	42	58	39	58	22
Lost	6	4	11	6	7	4	5	4	2
Dismissed on jurisdictional grounds									1
Dismissed on Government's motion	5	4	7	1	4	4	1	4	5
Pending end of year	110	116	97	102	103	100	141	137	180

Investigations

	1961	1962
Grand juries pending at beginning of year	43	80
Grand juries instituted during year	51	40
Grand juries closed during year	14	57
Grand juries pending at end of year	80	63
FBI investigations pending at beginning of year	113	130
FBI investigations instituted during year	71	111
FBI investigations closed during year	54	112
FBI investigations pending at end of year	130	129
Staff investigations pending at beginning of year	325	356
Staff investigations instituted during year	127	185
Staff investigations closed during year	96	273

Mr. ROONEY. The increases are set forth at page 19–4 insofar as $370,000 of the requested increase is concerned. The balance, to wit, $242,000 is set forth at page 19–1 and a proposed pay act supplemental.

What do you have to say about this, Judge Loevinger?

GENERAL STATEMENT

Mr. LOEVINGER. Mr. Chairman and members of the committee, the requested appropriation provides for maintaining the Antitrust Division at precisely its present level of personnel and activity. The increases relate to statutory adjustments in pay and similar matters. They provide for precisely the same number of authorized personnel as for the current year. There is no request for authorized increase in staff. I believe that the maintenance of the present number of staff members is indispensable to the function of the Antitrust Division if its function is to be carried out. A year ago when I appeared here the chairman, quite properly I believe, interrogated me somewhat sharply about the number of cases closed and pointed out that during the first half of the fiscal year we had closed only five cases as of that time.

The committee in its report noted that they thought the Antitrust Division was making a good effort but that it should concentrate on effective disposition of cases and effective achievement of its objectives.

I thoroughly agree with the comment of the committee and we have sought to do this. The diminished number of cases closed during the first half of 1962 was due, I think, in part to this effort. Two things have happened: (1) As of June 29, 1961, an order had been promulgated by the Attorney General requiring all proposed consent judgments to be filed in court 30 days in advance of entry. This was a proposal that had been made frequently by a number of prominent Congressmen interested in this field, and a number of bills to achieve this had been introduced. We thought it was a worthwhile thing to achieve. We could do this by Attorney General order.

For a period thereafter, this did result in some diminution of consent judgments. In addition, I have sought to insist that the consent judgments achieve two things: One, where it is felt that there is a reason for compromising or because of peculiar circumstances, trying to dispose of the matter without going too far with the company, we have sought not to prejudice future action by dismissing whatever part of the complaint, or the matter, was not provided for without prejudice; two, and more important, where we have entered a judgment we have sought to make it an effective judgment.

PRICE-FIXING CONSPIRACIES

To give an illustration, where a company is accused of price fixing or where a number of companies were accused of price fixing, by virtue of a conspiracy to rig bids in the sale of bread to a naval installation at a certain point in Florida, they came in and said they would gladly consent to a judgment that enjoined them from rigging bids in the sale of bread to a naval installation in Florida. This seems to me to be nonsense. I said that we would not consent to such a judgment, that they had engaged in bid rigging and price fixing and that they should be enjoined from engaging in price fixing with respect to bakery products, period; not, with respect to bread or rolls, but price fixing with respect to bread.

This has caused long negotiations with that particular company. More importantly, in the case against General Electric Co., for example, we had 18 separate civil suits, each one asking for an injunction against price fixing with respect to a very narrowly defined product category. However, when General Electric broke off the negotiations in early 1961, we filed an amended complaint and sought a broad-scale injunction against a large product category. As usual, there was discussion and some compromise but we finally entered one single inclusive judgment against General Electric, against a single broad product category, which included all of the products involved in the 18 separate cases as well as a very large number of others which, depending on how you count them, may amount to hundreds or thousands.

RECOVERIES FOR GOVERNMENT

Similarly, during the last year and a half or 2 years, we have undertaken to recover for the Government the amounts lost by the Government as a result of some of the price-fixing conspiracies.

The most notable and outstanding achievement in that respect, and I hesitate to mention it because it is likely to make it difficult for us in future years since we may not be able to match or top it in other cases, but with respect to General Electric as you are undoubtedly aware, we did, in the first half of the present fiscal year, recover some $7.4 million for the Government. This is a continuing thing although it has been most dramatic in the case of the electrical conspiracy and we have gotten a number of other recoveries or forfeitures. We have invoked statutes not previously used, such as the False Claims Act. We have a suit now pending in which a recovery is sought for the Government in the disposition of certain scrap property in Hawaii,

in which the bidders had gotten together and conspired on the price. We are seeking recovery under the Surplus Property Act.

For example, in the case I mentioned involving the sale of bakery products to a naval installation in Florida, we recovered $44,000 for the Government.

We have a case now pending in which it is alleged, and I believe the evidence will clearly show, that in building this portion of the Capitol, the companies installing the temperature controls divided the business up and agreed on the price. How much damages may be involved there, I do not know, but we will over the years be able to recover significant sums for the Government, I do not doubt.

BROADENING SCOPE OF ACTIVITY

In addition, the scope of activity of the Division has been broadening. I probably mentioned this before and no doubt this committee is aware of the fact that we are being drawn into discussions through international organizations, such as the OECD, and that sort of thing. We have two men working substantially full time in keeping us informed as to foreign antitrust developments. These men happen to be two very experienced and highly skilled men. It has taken some of my own time. It is not a heavy workload yet but I think it is a significant part of the activity. A heavier workload has arisen, for example, in connection with some of the transportation matters. We are now involved in seven pending interventions in transportation merger matters, each one of which is fully the equivalent of a very sizable antitrust case. In addition, these have implications that go beyond the ordinary antitrust case and we have spent many, many hours in consultation with other Government agencies in the American Eastern matter, for example, where we conferred at great length with the Department of Commerce, the Department of Labor, the Council of Economic Advisers, and the Bureau of the Budget in formulating a position.

WORKLOAD

All in all, the workload has increased substantially. There is some increase in numbers of personnel over recent years but if you go back over a long period of time, you will see that we have at the present time, or at the end of the calendar year, as of January 1 of this year, 306 lawyers on the rolls. If you go back to 1950, there were 314; the prior year, 330; the prior year, 296.

I have simply, for my own purposes—and this is not reflected in the presentation to the committee—gone back over the workload for the last 6 years, from 1956 on, and I find that the workload simply measured by case statistics of our lawyers has increased 50 percent during that period. The increase will be substantially more if you go back to some of the earlier periods.

For example, at the end of fiscal 1956, there were 97 cases pending. At the end of fiscal 1962, there were 180 cases pending, an increase of about 90 percent.

On the other hand, in fiscal 1956, we had 254 lawyers, and at the end of fiscal year 1962, we had 274.

LAWYER STAFF

Taking the number of lawyers we have now, 306, it is about a 20 percent increase in lawyers with about a 90 percent increase in cases. Without adverting to the nonfungibility of cases, I have heard mentioned here previously, I think it is clear you cannot increase the workload on lawyers beyond a certain point. Therefore, if we are to continue at the present rate and significant level of antitrust enforcement, and if we are to continue to safeguard the Government's rights in its recoveries, I think we must maintain our present staff. This means that we must have the statutory increases in salary provided for by Congress.

Incidentally, and it may be somewhat irrelevant to this case, although not altogether irrelevant, I think the salary legislation passed by Congress at the last session has, as far as we are concerned, already had a significant effect. I was very concerned last year and have been up until recently by the tremendous turnover. We were losing an average of four lawyers a month. They were going out of the Antitrust Division because any really good antitrust lawyer can get anywhere from 25 to 150 percent more money on the outside.

Our lawyers were simply taking it. We were losing them.

This is a tremendous loss because it takes a long time to instruct lawyers. But starting with the middle of calendar 1962, the rate of turnover fell in half. I attribute this, not altogether but essentially, to the Salary Reform Act. Where we were losing 4 lawyers a month in the first half of calendar 1962, for a total of 27, during the last half of calendar 1962, we lost 2 per month for a total of 13.

There can be simply no question that it represents a tremendous saving to the Government. A new lawyer simply cannot be as valuable as one who has been working for 2, 3, or 4 or more years. Therefore, Mr. Chairman, I think that this is a reasonable and proper request.

Have we submitted to the committee the workload statistics which include the first half of fiscal 1963?

HISTORY OF APPROPRIATIONS

Mr. ROONEY. Judge, it would appear that in 1961 fiscal year the appropriation for this Division of the Department of Justice came to approximately $5 million; is that right?

Mr. LOEVINGER. My recollection is that that is correct; yes, sir.

Mr. ROONEY. Actually, it was $5,074,000; is that correct?

Mr. LOEVINGER. Yes, sir.

Mr. ROONEY. In 1962 the amount appropriated for the Division went up to $5,875,000; right?

Mr. LOEVINGER. Right.

Mr. ROONEY. Then last year you came in and asked for $5,988,000; is that correct?

Mr. LOEVINGER. Yes, sir.

Mr. ROONEY. The committee, the House, and the other body allowed that exact amount and the House, in its report on the supply bill for the Departments of Justice, Commerce, and so forth, said:

* * * The committee has included in the bill the full amount of the budget estimate, $5,988,000, even though the testimony disclosed that nonrecurring items totaling $21,000 were not deducted from the base figure. In allowing the full amount, which is $113,000 over the appropriation for fiscal year 1962, the committee expects an effective program of enforcement of the antitrust laws. The committee is much more interested in the successful conclusion of cases than in statistical workload charts * * *.

WORKLOAD STATISTICS

It would appear, if we are to look at your workload charts, which we shall insert at this point in the record, that the last page thereof shows you terminated in the last fiscal year, with an appropriation of $5,875,000, but 26 cases under major investigations as compared with 32 in 1961 and 42 in 1960; is that correct?

Mr. LOEVINGER. This is rather a peculiar workload statement, sir. This refers to investigations——

Mr. ROONEY. Am I reading this correctly?

Then you can explain it.

Mr. LOEVINGER. Yes, sir. You are reading it quite correctly.

(The statement referred to follows:)

Comparative summary of workload statistics by fiscal years—Antitrust division

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	[1] 1963
Antitrust cases:																		
Filed	26	44	34	57	71	51	30	33	32	47	48	55	54	63	86	62	73	44
Appealed	2	12	5	10	12	11	8	5	10	3	9	10	9	7	8	3	17	3
Terminated	33	41	35	51	38	61	30	36	66	41	67	50	53	66	45	66	30	[2] 47 (54)
Pending	110	113	112	118	151	141	147	144	110	116	97	102	103	100	141	137	180	177
Investigations:																		
Instituted	112	60	127	238	180	186	148	138	181	188	143	139	144	124	253	249	336	196
Terminated	191	112	38	195	198	190	158	127	128	183	130	130	131	126	179	164	442	191
Pending	163	111	200	243	225	221	211	222	275	280	293	302	315	313	481	566	460	465
Kindred law cases:																		
Instituted	73	73	68	------	72	------	------	------	------	------	81	82	73	65	76	89	195	88
Terminated	99	81	69	------	64	------	------	------	------	------	64	94	78	65	68	73	102	79
Pending	130	122	73	------	54	------	------	------	------	------	49	37	32	32	40	56	173	185
Agency proceedings	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	171	335	[3] 157

[1] July 1–Dec. 31.

[2] 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.

[3] Agency proceedings include intervention in merger proceedings, surplus property clearance, statutary 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 prior years.

Comparative analysis of antitrust cases filed, by fiscal years

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	[1] 1963
Cases filed:																		
Civil	19	33	17	31	37	15	18	16	18	30	25	37	32	21	59	40	41	30
Criminal	5	11	17	26	34	36	12	17	14	17	23	18	22	42	27	22	32	14
Total	26	44	34	57	71	51	30	33	32	47	48	55	54	63	86	62	73	44
Cases filed involving price fixing:																		
Civil	5	18	14	12	16	22	4	7	8	15	14	15	18	9	36	11	27	10
Criminal	8	8	16	23	28	12	6	16	8	12	17	13	17	40	23	18	31	14
Total	13	26	30	35	44	34	10	23	16	27	31	28	35	49	59	29	58	24
Merger cases filed	0	0	0	1	1	0	0	0	0	3	3	5	4	6	13	15	10	9
Monopolization cases filed:																		
Civil	9	22	9	14	19	17	8	10	13	8	4	10	6	3	7	4	9	3
Criminal	3	6	0	6	6	1	7	5	1	5	3	2	4	4	2	2	10	0
Total	12	28	9	20	25	18	15	15	14	13	7	12	10	7	9	6	19	3
Individuals indicted	75	52	183	197	318	67	31	80	53	88	51	49	34	61	66	18	129	55

[1] July 1–Dec. 31, 1962.

	Fiscal years									
	1954	1955	1956	1957	1958	1959	1960	1961	1962	[1] 1963
Antitrust cases:										
District courts:										
Civil:										
Pending beginning of year	106	76	82	62	72	77	65	101	111	138
Filed during year	18	30	25	37	32	21	59	40	41	30
Terminated during year	49	24	45	27	27	33	23	30	14	38
Won	38	[2] 22	[3] 33	25	26	28	22	23	10	38
Lost	6	2	9	2	1	1	0	3	1	0
Dismissed on Government's motion	[4] 4	0	[5] 3	0	0	[6] 4	[7] 1	[8] 4	[9] 3	0
Pending end of year	76	82	62	72	77	65	101	111	138	130
Criminal:										
Pending beginning of year	38	34	34	35	30	26	35	40	26	42
Filed during year	14	17	23	18	22	42	27	22	32	14
Terminated during year	18	17	[5] 22	23	26	33	22	36	16	9
Won	17	11	16	18	16	[10] 30	17	35	12	8
Lost	0	2	2	4	6	3	5	1	1	0
Dismissed on jurisdictional grounds									1	0
Dismissed on Government's motion	1	[11] 4	[5] 4	[12] 1	[13] 4	0	0	0	[14] 2	1
Pending end of year	34	34	35	30	26	35	40	26	42	47
Courts of appeals:										
Pending beginning of year	1	2	1	5	5	3	1	5	1	4
Filed during year	3	1	6	5	3	2	5	0	6	2
Terminated during year	2	2	2	5	5	4	1	4	3	2
Won	2	2	1	5	0	4	1	3	[15] 2	2
Lost	0	0	1	0	[16] 5	0	0	1	1	0
Pending end of year	2	1	5	5	3	1	5	1	4	4
Supreme Court:										
Pending beginning of year	0	3	3	4	4	3	3	3	3	12
Filed during the year	7	2	3	5	6	5	3	3	11	1
Terminated during year	4	2	2	5	7	5	3	3	2	7
Won	3	2	1	4	6	3	3	3	2	7
Lost	1	0	1	1	[18] 1	[17] 2	0	0	0	0
Pending end of year	3	3	4	4	3	3	3	3	12	6
Major investigations:										
Pending beginning of year	222	275	280	293	302	315	[18] 407	481	566	460
Instituted during year	181	188	143	139	144	124	253	249	336	196
Disposed of during year	128	183	130	130	131	126	179	164	442	191
Cases	26	36	30	24	30	34	42	32	26	[19] 14
Consolidations	4	3	4	2	2	3	5	2	5	5
Terminated	98	144	96	104	99	89	132	130	411	172
Pending end of year	275	280	293	302	315	313	481	566	460	465

Footnotes on following page.

[1] July 1–Dec. 31, 1963.

[2] *Western Penn. Sand & Gravel Assn., et al.* (Cr. 13855 (Sup. to Civ. 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.

[3] *National City Lines Inc., et al.*, civil consent, issue of relief litigated and relief denied.

[4] *Columbia Gas*, relief obtained by other means. *Cement Institute*, issues moot. *Sunbeam Corp.*, without prejudice by stipulation because of McGuire Act. *Armour & Co.*, because of Court's cutoff date and lack of substantial evidence subsequent thereto, Government was compelled to dismiss.

[5] Civil: *Darling; Employing Lathers; Wholesale Produce Buyers.*

Criminal: *Safeway Stores Inc., et al.*, dismissed simultaneously with the filing of an information. *Associated Credit Bureau; Employing Plasterers Ass'n.; Employing Lather Ass'n. Sylvania Electric Products Corp.*, guilty pleas and 1 defendant tried and found not guilty.

[6] Civil: *Linen Service Council of New Jersey; Guerlain Parfums Corday, Inc.*, and *Lanvin Parfums.*

[7] *Standard Oil Co. of Ohio.*

[8] *Minnesota Mining and Manufacturing; Firstamerica Corp.; Proctor and Gamble Co., et al; Standard Oil Co. of California* (consent as to 1 defendant).

[9] *United Artists, Ariz. Consolidated Masonry & Plastering & Standard Oil Co.*

[10] *Maryland State Licensed Beverage*, 38 nolo pleas, 12 dismissed, and 3 acquitted after trial.

[11] *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), and *Rhodes Department Store*, (Cr. 48756); insufficient evidence to warrant trial.

[12] Criminal: *Maryland & Virginia Milk Producers Ass'n., Inc.*

[13] Criminal: *Wolf; Aero Mayflower Transit; R. Potts;* and *Maine Lobster Co.*, dismissed simultaneously with filing information.

[14] *Linen Supply Inst. of Gr. N.Y.* and *Linen Service Council of N.J.*

[15] *Woodson* case certified to Supreme Court by the Circuit Court of Appeals.

[16] *Socony* cases certified by Circuit Court of Appeals to Supreme Court and then dismissed by Government.

[17] *Parfums Corday*, dismissed by Government.

[18] Adjusted to include mergers.

[19] 14 investigations closed out resulted in 26 cases civil and criminal.

Mr. ROONEY. What do these figures mean?

Mr. LOEVINGER. Frankly, I do not know. It is not a workload statement. I think this is a breakdown made by those who made up the basic statement of some method of tracing investigations into cases. Frankly, I do no think this has much significance.

Mr. ROONEY. Then why bother our time with it? I understood this to be a workload statement of major investigations, fiscal years 1954 to 1963, but including only the first 6 months of 1963.

Mr. LOEVINGER. The actual cases are on the first page, sir. The total terminations for 1962, 30 cases. This is admittedly——

Mr. ROONEY. Major investigations. That is the principal part of your work, is it not, major investigations? These are your principal cases, are they not?

Mr. BASSFORD. No. These are not cases at all, if I may interpose.

Mr. ROONEY. You said you disposed of 26 cases under major investigations in 1962?

Mr. BASSFORD. No; these are major investigations that were disposed of by becoming cases in court, Mr. Rooney. That is what that means. The major investigations disposed of in 1962 were 442, and 26 of those were closed out by being filed as cases in court.

Mr. ROONEY. In other words, major investigations in 1962 generated 26 court cases; is that right?

Mr. BASSFORD. That is correct.

Mr. ROONEY. That with an appropriation of $5,875,000, as compared with investigations in 1961 which generated 32 court cases on a budget of $5,074,000; is that correct?

Mr. BASSFORD. Yes, Mr. Rooney, but I think you are overlooking the fact that there were other cases filed in court besides those.

Mr. ROONEY. We will get to those. We are now comparing your workload statement on major investigations with the ones furnished to us last year.

Mr. BASSFORD. Yes, sir.

Mr. ROONEY. You referred, at the outset, Judge Loevinger, to the fact that you told us when you were here a year ago you had but five terminated cases of a year ago previous to the end of the fiscal year?

Mr. LOEVINGER. During the first half of 1962, we terminated but five cases.

During the last half of that year, after the comment of the committee, we terminated an additional 25 to make a total of 30 terminations for fiscal year 1962. That is admittedly not a great number.

Mr. ROONEY. How did that number compare with fiscal year 1961 when there was an appropriation of practically $800,000 less?

Mr. LOEVINGER. Rather poorly. In fiscal year 1961, we terminated 66 cases. However, the effort that goes into an antitrust case is a matter that is relatively long range. For example, the case that I mentioned, the damage case involving the General Electric Co., we had a——

Mr. ROONEY. Of course, that was all the generation of the activity in 1960 and 1961 fiscal years, the *Philadelphia Electric* case; is that right?

Mr. LOEVINGER. It grew out of this. The damage case was wholly developed during calendar 1961 and 1962.

Mr. ROONEY. All these cases were developed from grand jury activity up in Philadelphia. It probably will not happen again for another couple of decades.

Mr. LOEVINGER. This was not my point, Mr. Rooney. My point was this: I had a signed offer from Mr. Cordiner, early in May of 1962, offering to pay something over $7 million. There were certain reasons why we thought that this could be increased slightly and there were certain aspects of it we thought should be improved. If we had been concerned with the fiscal year's statistics, we could have signed that and received the money before the end of fiscal 1962. Instead, we sent it back to Mr. Cordiner with a counteroffer. I negotiated with them further, and, in July of 1962, which was fiscal 1963, we actually signed it and got some more money.

I think I made about $200,000 or $250,000 for the Government, but we made our statistics look a little worse.

If you look at the first half of 1963, you will find that in one-half a year we terminated 47 cases as compared with 30 in the entire fiscal year of 1962, or 45 in the entire fiscal year of 1960. In fact, the 47 cases terminated in the first half of fiscal 1963 are more cases than were terminated in the majority of entire fiscal years postwar. While it takes us a little while, once we institute an effort of this sort to show results, I think we are doing what this committee suggested that we do, and that we are beginning to show these results.

Mr. ROONEY. It would appear from these figures that in 1962 you won 10 civil cases in the districts, compared with 23 the year before; is that correct?

Mr. LOEVINGER. Yes, sir.

Mr. ROONEY. Of course, that compares with 38 in the first 6 months of 1963, does it not?

Mr. LOEVINGER. Yes, sir.

CASES TRIED IN COURT DURING FISCAL YEAR 1962

Mr. ROONEY. Let me put it this way: How many cases did you try, in fiscal 1962, in court?

Mr. LOEVINGER. Mr. Bassford reminds me there is included here a list of cases terminated by litigation. Like you, I have been concerned about the number of cases that were actually tried during the course of any year and I have sought to get this data. The Records Unit has great difficulty with this because antitrust cases seem to get into very protracted and involved pretrial proceeding. We will have lawyers who may spend weeks and months in court on what is nominally pretrial. Sometimes this substantially completes the case. For example, on this last Monday, a decree was entered in the district court in Chicago in a case involving Parents' magazine and McClurg Co. This was a large publishing merger case and we had sought a preliminary injunction in that case. I believe there were 6 days of hearing on the preliminary injunction with dozens of witnesses, and many, many exhibits, a full-scale trial. The court granted a preliminary injunction. After the preliminary injunction was granted, the parties abandoned the merger, and it was then simply a matter of working out a few minor details with respect to the terms of the permanent injunction.

For all practical purposes, the hearing on the preliminary injunction settled that case and amounted to a trial. However, this goes down as a consent judgment.

Mr. ROONEY. Do you have figures which would show that sort of proceeding and also the cases tried in the district courts in fiscal 1962?

Mr. LOEVINGER. No, we do not.

Mr. Bassford advises me that we do have the number of attorneys and the number of court days during the last half of 1962 and the first half of 1963.

Mr. ROONEY. Court days would not mean very much if you did not know the number of cases, would it?

Mr. LOEVINGER. It is a measure of workload. It has limited significance, I agree. The problem has been to find an objective or statistical device that would give us what I think you are seeking.

I have asked for this and sought it and have had great difficulty in finding any test that could be applied that would give us a significant statistic.

FINES IMPOSED

Mr. ROONEY. Where do we find the amount of fines in antitrust cases over a period of fiscal years? Do you have that?

Mr. LOEVINGER. Yes, I am sure that that is in here. I think we have fines and recoveries.

Mr. ROONEY. What page?

Mr. LOEVINGER. Page 19–58, fines imposed.

Mr. BASSFORD. That is for the current year.

Mr. LOEVINGER. Page 19–44 has something and page 19–45, fines and recoveries in antitrust cases. It does not have the first half of 1963, which would be off this chart, since it would be something close to $8 million.

Mr. ROONEY. Why was that not finished? This shows fiscal year 1961.

Mr. LOEVINGER. That shows 1962, Mr. Chairman.

As a matter of fact——

Mr. ROONEY. Is that for all of 1962?

Mr. ANDRETTA. That is on page 19–58.

Mr. ROONEY. Wait a minute, please. Let us stay with this.

Mr. LOEVINGER. These are all fiscal years.

Mr. ROONEY. These are full fiscal years shown on page 19–45?

Mr. LOEVINGER. Yes, sir.

Mr. ROONEY. This would indicate that the highest in the period 1952 to 1962 was 1961 fiscal year which began July 1, 1960, in the total amount for that year, $3,058,000?

Mr. LOEVINGER. Yes, sir.

Mr. ROONEY. This compares with the following year, 1962, total fines of $1,221,000; is that correct?

Mr. LOEVINGER. Yes, sir.

Mr. ROONEY. What about the first 6 months of 1963?

Mr. LOEVINGER. Approximately $8 million.

Mr. ROONEY. That includes the money on the settlement of the electrical case?

Mr. ANDRETTA. $7.4 million from the $8 million?

Mr. LOEVINGER. Yes, sir.

Mr. ROONEY. It would be about $600,000?

Mr. LOEVINGER. Yes, sir.

Mr. ROONEY. That $7.4 million relates to activities from fiscal year 1961; right?

Mr. LOEVINGER. Not really. Those damage suits were all filed in calendar 1961.

Mr. ROONEY. They could not pay you fast enough as a result of what happened in that grand jury up in Philadelphia. They just wanted to get rid of the litigation. They would have paid anything, would they not, pretty nearly?

Mr. LOEVINGER. General Electric is the only one that paid so far.

Mr. ROONEY. It was just a question of agreeing on the amount, is that it?

Mr. LOEVINGER. Not altogether. These companies, if you listen to them, you would think that they were paying in blood instead of money. The companies are not happy about it. There are some very complex and sensitive problems involved.

Mr. ROONEY. Of the $3,058,000 total amount of funds and recoveries in antitrust cases in fiscal year 1961, $1,926,000 referred to the *Philadelphia Electrical* cases?

Mr. LOEVINGER. Yes, sir. I might say that the *Philadelphia Electrical* cases have absorbed a large part of our manpower during the period we have been working on them, too. This $1,926,000——

Mr. ROONEY. The point is that the cases were already made out in that grand jury investigation when——

Mr. LOEVINGER. Mr. Chairman, I think this overstates the record. The cases are never handed to us readymade. They require work. They require development. They require presentation and this requires many man-hours.

JAIL SENTENCES

Mr. ROONEY. Where do we find your jail sentences?

Mr. LOEVINGER. There were not any. There had been none.

Mr. ROONEY. How about fiscal year 1962?

Mr. LOEVINGER. There have been none since Philadelphia. We have asked for them in a few cases, but judges are very reluctant to impose jail sentences in antitrust cases. We have had great difficulty with this.

Mr. ROONEY. You would agree that the great deterrent to antitrust activity, or rather to trust activity, is a jail sentence, would you not?

Mr. LOEVINGER. I think this is the greatest, although potential liability is also a very important one.

Mr. ROONEY. The greatest is when they send the top corporation executive to jail; is that not so?

Mr. LOEVINGER. Yes, sir.

Mr. ROONEY. You have not had any jail sentences in the past 2 years?

Mr. LOEVINGER. No, sir.

Mr. ROONEY. Mr. Bow?

Mr. BOW. I have just one question.

RULES ON TERMINATION OF CASES

When do you consider a case terminated?

Mr. LOEVINGER. When the final judgment has been entered, sir, and there is no appeal.

Mr. BOW. Do you consider a case terminated before you have collected the fine and the money recovered?

Mr. LOEVINGER. Yes, it may be

Mr. BOW. There is a difference then in the Department of Justice in sending these charts to us on terminated cases. One Division of Justice considers a case terminated when the entry goes on and the appeal time expires, and the others consider it a termination after they have collected the fines, the judgments, and so forth.

Is there any uniform practice, Mr. Andretta, in the Department of Justice? Does it depend on what looks best when it comes up here?

Mr. ANDRETTA. We have standards for developing statistics but the interpretation is not uniform.

Mr. BOW. The policy of developing statistics is determined by what may look best when it comes before this committee?

Mr. ANDRETTA. These statistics are very flexible and subject to different interpretation.

Mr. BOW. I should think so, because here we are with different rules on termination.

Mr. ANDRETTA. We have difficulty with the Civil Division——

Mr. BOW. Only one?

Mr. ANDRETTA. That is the only one.

Mr. BOW. I am glad to hear that.

Mr. ANDRETTA. They handle and develop their own statistics. I have been trying for a long time to get them to put them on punchcards for our machine operation, like the rest of the Department.

Mr. BOW. Do you have an IBM machine there?

Mr. ANDRETTA. Yes, sir.

Mr. BOW. From whom do you buy your cards?

Mr. ANDRETTA. IBM.

Mr. BOW. They can only sell you one-third of them?

Mr. ANDRETTA. I suppose we may get them elsewhere, too, with our new program.

Mr. BOW. That is all.

Mr. SMITH. Mr. Chairman?

Mr. ROONEY. Yes.

ANTITRUST CASES FILED

Mr. SMITH. According to this graph, the number of cases filed in 1959 was considerably more than at any time since. Does this mean that you are concentrating more on disposing of those?

Mr. ROONEY. What page?

Mr. SMITH. 19–40.

Does this mean you are concentrating more on disposing of those, or are there less cases that need to be filed, or what?

Mr. LOEVINGER. There were more cases filed in calendar 1962 than in any calendar year except two, which, according to my recollection, were 1941 and 1942.

Mr. SMITH. This chart does not indicate that.

Mr. LOEVINGER. These are fiscal years and they come out a little differently when you cut them by fiscal years. These are prior to World War II. The whole level of antitrust activities had been at a relatively low level with relatively few attorneys. They would file 6, 8, or 10 cases a year until Thurman Arnold was appointed. He was appointed in 1938, and by 1940, he had gotten the staff up to about its present size. In 1941 and 1942 he started filing cases. Frankly, we do not have a complete analysis of the statistical basis of what was going on, and I am speaking largely from recollection, which is fairly vague——

Mr. SMITH. Speaking for fiscal years, because that is what your graph covers——

Mr. LOEVINGER. In order to answer that, the principle is essentially the same. What Mr. Arnold did was to come in and put antitrust on a nationwide bigtime basis. He said if somebody is conspiring that we will sue them, but he brought many suits involving local construction companies. One of the big drives was in the building and construction business and to some extent these figures are different than they would be today because separate suits were filed where today we might have one suit with a dozen conspirators.

Mr. SMITH. Should we disregard this paragraph?

Mr. LOEVINGER. No; I think that that was an unusual period. I think that if you started with World War II and come on down to the present, you get a pretty fair basis of comparison. Statistics are generally comparable and the kind of activity was generally about the same.

Mr. ROONEY. Judge, the comparison is only with regard to number of cases filed; right?

Mr. LOEVINGER. Yes, sir.

RESULTS FROM CASES FILED

Mr. ROONEY. I am all for filing cases where they should be filed, and if you have a greater number of fines, you need staff to collect them. My information had been that you were filing a lot of cases and building up the number of cases filed with nothing coming out the other end of the pipeline. Your answers to my questions which indicate that your fines do not at all compare with 2 years ago, and your nonjail sentence statistics seem to bear that out.

If I am wrong in that, please disillusion me.

Mr. LOEVINGER. I believe, sir, the significant jail sentences and the ones that have attracted attention were in the *Philadelphia Electrical* cases.

Mr. ROONEY. Before you were there?

Mr. LOEVINGER. No, sir.

The jail sentences in the *Philadelphia Electrical* cases were imposed in February of 1961.

Mr. ROONEY. They were the aftermath of activity in fiscal 1961 following the grand jury investigation in Philadelphia?

Mr. LOEVINGER. Yes, sir; that is quite correct.

There has not been another group of cases that has moved a district court yet.

Mr. ROONEY. I said before that you would not find another one for 20 years.

Mr. LOEVINGER. This may very well be.

Mr. ROONEY. Why build the Division up as we have here? You have gotten $1 million more than in the sensational year of 1961 and that was the greatest year in antitrust history, so far as my memory is concerned, the greatest year.

Mr. LOEVINGER. I think that we are bringing a wider scope and variety of significant economic cases now. As far as terminations are concerned on a calendar basis in 1962, we terminated more cases than any prior calendar year in antitrust history, so far as I can discover the statistics. This is largely the result of the relatively large number terminated in the last half of the year, as pointed out in this chart.

Mr. ROONEY. This is not reflected in your fines. This is not reflected in your jail sentences.

Mr. LOEVINGER. It is reflected in fines and recoveries, sir. Fines and recoveries have always been lumped together but recoveries have heretofore always been rather small.

Mr. ROONEY. If you include that $7.4 million in 1963, I would be inclined to agree with you, but as far as I am concerned, that was the direct aftermath of the *Philadelphia Electrical* cases.

Mr. LOEVINGER. Everything that we do by way of results is the aftermath of something that occurred long before, because this is the way antitrust operates. Three years from now, you will be listening to somebody tell you about the fines recovered on the basis of our work this year.

Mr. ROONEY. I am never impressed at the outset with these statistics unless I understand the background of them.

Mr. Andretta, I can well remember how Mr. Brownell took credit for the *Communist* cases in Internal Security. These cases had all been developed long before and they had only gotten to the point of culminating them at that time and he took a great deal of the credit for that.

These were all done previously. Is that right?

Mr. ANDRETTA. He was speaking for the Department. The Department is taking the credit.

Mr. ROONEY. If there are no further questions, we thank you, gentlemen.

THURSDAY, JANUARY 31, 1963.

IMMIGRATION AND NATURALIZATION SERVICE

WITNESSES

R. F. FARRELL, COMMISSIONER
E. A. LOUGHRAN, ASSOCIATE COMMISSIONER
D. FRANCIS, ASSISTANT COMMISSIONER
S. A. ANDRETTA, ADMINISTRATIVE ASSISTANT ATTORNEY GENERAL
J. C. BROWN, CHIEF, BUDGET AND ACCOUNTS OFFICE

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

		1962 actual	1963 estimate	1964 estimate
11	Personnel compensation:			
	Permanent positions	43,343	46,571	48,027
	Positions other than permanent	918	611	774
	Other personnel compensation	4,703	4,895	5,612
	Total personnel compensation	48,964	52,077	54,413
12	Personnel benefits	3,886	4,120	4,330
21	Travel and transportation of persons	2,277	2,197	2,155
22	Transportation of things	506	424	426
23	Rent, communications, and utilities	1,333	1,204	1,755
24	Printing and reproduction	423	435	424
25	Other services	2,050	2,121	2,096
26	Supplies and materials	2,184	2,228	2,162
31	Equipment	1,053	1,999	1,672
32	Lands and structures	347	394	549
42	Insurance claims and indemnities	18	5	5
44	Refunds	25	25	25
	Unvouchered	50	50	50
	Subtotal	63,116	67,279	70,062
	Deduct quarters and subsistence charges	52	62	62
	Total costs	63,064	67,217	70,000
	Change in selected resources	365	−856	
	Total obligations	63,429	66,361	70,000

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions	7,138	7,237	7,115
Full-time equivalent of other positions	237	130	164
Average number of all employees	6,912	6,885	6,757
Number of employees at end of year	7,116	7,148	7,052
Average GS grade	7.6	7.6	7.6
Average GS salary	$6,520	$6,864	$7,232

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Inspection for admission into the United States	16,209	17,478	18,942
2. Detention and deportation	5,995	5,951	6,202
3. Naturalization	3,658	3,880	4,092
4. Border patrol	17,560	19,295	18,913
5. Investigating aliens' status	11,089	11,590	12,192
6. Immigration and naturalization records	5,428	5,434	5,857
7. General administration	3,425	3,588	3,802
Total program costs, funded [1]	63,064	67,217	70,000
Change in selected resources [2]	365	−856	
Total obligations	63,429	66,361	70,000
Financing: Unobligated balance lapsing	19		
New obligational authority	63,449	66,361	70,000
New obligational authority:			
Appropriation	63,500	64,050	70,000
Transferred to "Operating expenses, Public Buildings Service," General Services Administration (75 Stat. 353; 76 Stat. 728) (−)	−51	−28	
Appropriation (adjusted)	63,449	64,022	70,000
Proposed supplemental due to pay increases		2,339	

[1] Includes capital outlay as follows: 1962, $1,400,000; 1963, $2,393,000; 1964, $2,193,000.
[2] Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, $1,119,000 (1962 adjustments $72,000); 1962, $1,556,000; 1963, $700,000; 1964, $700,000.

Mr. ROONEY. The committee will be in order, please.

The item in the Department of Justice budget to which we shall direct our attention this afternoon, gentlemen, is for the Immigration and Naturalization Service, "Salaries and expenses."

It appears beginning at page 101 at the committee print and the details thereof are included under tab 26 of the justifications.

The request is in the amount of an even $70 million, an increase of $5,950,000 over the amount appropriated for the Immigration and Naturalization Service in the current fiscal year.

We shall at this point insert in the record pages 26–1 through 26–106 of the justifications.

(The pages follow:)

SUMMARY ANALYSIS OF ESTIMATE

Regular			$64,050,000
Proposed 1963 supplemental for pay increase			+ 2,339,000
Transfer to "Operating Expenses, General Services Administration"			- 28,000
Total			66,361,000
Reductions (-):			
1. Inspection for admission into the United States	$305,300		
2. Detention and deportation	14,000		
3. Naturalization	4,600		
4. Border patrol	941,700		
5. Investigating aliens' status	162,000		
6. Immigration and naturalization records	15,900		
7. General administration	3,600	-1,447,100	
Additions (+):			
1. Inspection for admission into the United States	815,000		
2. Detention and deportation	210,600		
3. Naturalization	181,600		
4. Border patrol	721,100		
5. Investigating aliens' status	515,900		
6. Immigration and naturalization records	275,900		
7. General administration	155,200	+2,875,300	
Adjustment in base (net)			+1,428,200
Base for 1964			67,789,200
Estimate for 1964			70,000,000
Increase over base			2,210,800
INCREASE FROM TOTAL APPROPRIATION, 1963, including proposed supplemental			3,639,000

CONSOLIDATED COMPARISON OF PROGRAM COSTS -- by Object

Employment Summary	1962 Actual	1963 Estimate	Net Adjustment	Base	Inc. (+) or Dec. (-)	1964 Estimate
Permanent positions	7,138	7,237		7,237	- 122	7,115
Positions equivalent of required savings due to lapses	463	482	+ 91	573	- 51	522
Average number of permanent	6,675	6,755	- 91	6,664	- 71	6,593
Full-time equivalent of temporary and part-time	237	130		130	+ 34	164
Average number of all positions	6,912	6,885	- 91	6,794	- 37	6,757
10 PERSONAL SERVICES AND BENEFITS						
11 Personnel Compensation:						
Total permanent	46,355,703	50,240,836	+ 604,751	50,845,587	-764,984	50,080,603
Deduct lapses	3,012,252	2,875,636	+ 604,751	3,480,387	-344,684	3,135,703
	43,343,451	47,365,200	-	47,365,200	-420,300	46,944,900
Deduct net increase due to lower pay scales for part of year	-	- 793,800	+ 793,800	-	-	-
Add net increase due to higher pay scales for part of year	-	-	+1,082,200	1,082,200	-	1,082,200
Net permanent	43,343,451	46,571,400	+1,876,000	48,447,400	-420,300	48,027,100
Temporary employment	546,170	203,400	+ 17,500	220,900	+119,500	340,400
Part-time employment	2,448	2,600	+ 100	2,700	-	2,700
Intermittent employment	369,801	405,300	+ 25,300	430,600	-	430,600
Regular pay above 52-week base	-	-	+ 359,600	359,600	-	359,600
Overtime	434,992	444,400	+ 5,800	450,200	-	450,200
Premium compensation	2,072,292	2,160,800	+ 131,200	2,292,000	-112,500	2,179,500
Holiday pay	43,588	62,700	+ 25,900	88,600	-	88,600
Nightwork differential	238,149	241,800	+ 15,600	257,400	+ 12,000	269,400
Extra compensation (Act-3-2-31):						
Non-reimbursable	1,630,146	1,699,700	+ 100,100	1,799,800	+168,500	1,968,300
Additional pay for service abroad	129,898	135,600	+ 7,400	143,000	-	143,000
Casual workers	55,863	58,400	+ 3,700	62,100	-	62,100
Pay of detainees	2,436	2,400	-	2,400	-	2,400
Rewards	81,912	81,000	+ 600	81,600	-	81,600
Witness fees	3,585	3,600	-	3,600	-	3,600
Payments to other agencies for reimbursable details	8,801	3,700	+ 200	3,900	-	3,900
Total - Personnel Compensation	48,963,532	52,076,800	+2,569,000	54,645,800	-232,800	54,413,000

CONSOLIDATED COMPARISON OF PROGRAM COSTS

by Objects
Contd.

	1962 Actual	1963 Estimate	Net Adjustments	Base	Inc. (+) or Dec. (-)	1964 Estimate
PERSONAL SERVICES AND BENEFITS:						
12 Personnel Benefits:						
Accident compensation	-	3,000	- 3,000	-	+ 33,600	33,600
Foreign quarters allowance	139,684	161,300	+ 8,900	170,200	-	170,200
Foreign education allowance	15,030	15,600	+ 900	16,500	-	16,500
Allowance for uniforms	310,975	321,300	-	321,300	- 12,200	309,100
Transfer and lodging allowances	2,741	2,700	-	2,700	-	2,700
Group life insurance, Government contribution	147,245	156,800	+ 9,800	166,600	- 700	165,900
F.I.C.A. taxes, Government contribution	36,419	38,000	+ 8,700	46,700	+ 4,900	51,600
Incentive awards	47,099	49,000	+ 2,700	51,700	-	51,700
Employees Health Benefits Act	402,278	412,000	-	412,000	- 9,500	402,500
Payments to retirement fund, Government contribution	2,785,218	2,960,000	+ 186,400	3,146,400	- 20,700	3,125,700
Total - Personnel Benefits	3,886,689	4,119,700	+ 214,400	4,334,100	- 4,600	4,329,500
10 Total Personal Services and Benefits	52,850,221	56,196,500	+2,783,400	58,979,900	-237,400	58,742,500

CONSOLIDATED COMPARISON OF PROGRAM COSTS
by Objects
Contd.

	1962 Actual	1963 Estimate	Net Adjustments	Base	Inc. (+) or Dec. (-)	1964 Estimate
Other costs:						
20 CONTRACTUAL SERVICES AND SUPPLIES						
21 Travel and transportation of persons	2,276,461	2,196,700	-	2,196,700	- 42,000	2,154,700
22 Transportation of things	505,475	424,000	- 58,600	365,400	+ 61,000	426,400
23 Rent, communications, and utilities	1,333,354	1,204,600	+ 65,500	1,270,100	+ 484,600	1,754,700
24 Printing and reproduction	423,315	435,174	- 10,974	424,200	-	424,200
25 Other services	1,577,172	1,620,376	- 139,876	1,480,500	+ 91,800	1,572,300
Unvouchered	50,000	50,000	-	50,000	-	50,000
Services performed by other Government agencies	472,583	500,500	+ 23,400	523,900	-	523,900
26 Supplies and materials	2,184,172	2,228,318	- 31,318	2,197,000	- 34,600	2,162,400
30 ACQUISITION OF CAPITAL ASSETS						
31 Equipment	1,053,265	1,999,236	- 1,665,436	333,800	+1,338,700	1,672,500
32 Lands and structures	347,115	393,916	- 393,916	-	+ 548,700	548,700
40 GRANTS AND FIXED CHARGES						
42 Insurance claims and indemnities	17,968	4,500	-	4,500	-	4,500
44 Refunds	24,474	25,000	-	25,000	-	25,000
Total other costs	10,265,354	11,082,320	- 2,211,220	8,871,100	+2,448,200	11,319,300
Total	63,115,575	67,278,820	+ 572,180	67,851,000	+2,210,800	70,061,800
Deduct quarters and subsistence furnished	51,621	61,800	-	61,800	-	61,800
Total costs	63,063,954	67,217,020	+ 572,180	67,789,200	+2,210,800	70,000,000
Costs financed from obligations of other years, net (-)	- -	856,020	+ 856,020	-	-	-
Obligations incurred for costs of other years, net	365,527	-	-	-	-	-
Total obligations	63,429,481	66,361,000	+ 1,428,200	67,789,200	+2,210,800	70,000,000

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	+2,569,000	-	+ 2,569,000
12 Personnel benefits	+ 214,400	-	+ 214,400
Other Obligations:			
20 Contractual Services and Supplies:			
22 Transportation of things	- 58,600	-	- 58,600
23 Rent, communications and utilities	+ 65,500	-	+ 65,500
24 Printing and reproduction	-	- 10,974	- 10,974
25 Other services	- 49,100	- 67,376	- 116,476
26 Supplies and materials	- 2,700	- 28,618	- 31,318
30 Acquisition of Capital Assets:			
31 Equipment	-1,070,800	- 594,636	- 1,665,436
32 Lands and structures	- 239,500	- 154,416	- 393,916
Total	+1,428,200	- 856,020	+ 572,180

STATEMENT OF REIMBURSEMENTS

	1962 Actual			1963 Estimate			1964 Estimate		
	Federal	Non-Federal	Total	Federal	Non-Federal	Total	Federal	Non-Federal	Total
By Object:									
10 Personal Services and Benefits	4,971	1,412,039	1,417,010	9,700	1,480,600	1,490,300	9,700	1,522,300	1,532,000
20 Contractual Services and Supplies	34,083	292,303	326,386	20,600	246,400	267,000	20,600	249,900	270,500
30 Acquisition of Capital Assets	132,112	131,312	263,424	130,000	54,700	184,700	-	57,500	57,500
Total	171,166	1,835,654	2,006,820	160,300	1,781,700	1,942,000	30,300	1,829,700	1,860,000
By Source:									
Transportation Lines:									
Maintenance and detention	-	8,169	8,169	-	7,300	7,300	-	7,300	7,300
Hospitalization	-	443	443	-	-	-	-	-	-
Inspection overtime	-	1,400,017	1,400,017	-	1,459,000	1,459,000	-	1,511,000	1,511,000
Guarding aliens in direct transit	-	740	740	-	-	-	-	-	-
Sale of equipment (automobiles, trucks, etc.)	5,600	131,312	136,912	-	54,700	54,700	-	57,500	57,500
Lands and structures (Customs)	126,512	-	126,512	130,000	-	130,000	-	-	-
Miscellaneous (meals and quarters, textbooks, travel, salaries, utilities, communications, etc.)	39,054	294,973	334,027	30,300	260,700	291,000	30,300	253,900	284,200
Total	171,166	1,835,654	2,006,820	160,300	1,781,700	1,942,000	30,300	1,829,700	1,860,000

SUMMARY OF PERMANENT FORCE BY PRINCIPAL GRO..S

	Actual 1962	Estimate 1963	Estimate 1964	Increase (+) or Decrease (-)
Field:				
Immigrant inspectors	1,190	1,215	1,215	-
Patrol inspectors	1,585	1,578	1,467	- 111
Special inquiry officers	34	34	34	-
General attorneys	6	6	6	-
Trial attorneys		16	16	-
Airplane pilots	62	62	51	- 11
Naturalization examiners	179	179	179	-
Investigators	791	774	774	-
Deportation and parole officers	15	15	15	-
Officers in charge, supervisory, and administrative officers	340	346	346	-
Port receptionists	58	58	58	-
Clerks, etc.	2,120	2,137	2,137	-
Detention officers	199	225	225	-
Custodial	111	114	114	-
Total permanent, field	6,690	6,759	6,637	- 122
Central Office:	448	478	478	-
Grand Total	7,138	7,237	7,115	- 122

SUMMARY OF PERSONAL SERVICES AND BENEFITS

	1962			1963			1964		
	Department	Field	Total	Department	Field	Total	Department	Field	Total
PERSONAL SERVICES AND BENEFITS									
Personnel Compensation:									
Net permanent	2,877,616	40,465,835	43,343,451	3,153,800	43,417,600	46,571,400	3,315,000	44,712,100	48,027,100
Part-time employment	-	2,448	2,448	-	2,600	2,600	-	2,700	2,700
Temporary employment	183,558	362,612	546,170	103,500	99,900	203,400	236,400	104,000	340,400
Intermittent employment	1,580	368,221	369,801	1,700	403,600	405,300	1,700	428,900	430,600
Casual workers	-	55,863	55,863	-	58,400	58,400	-	62,100	62,100
Pay of detainees	-	2,436	2,436	-	2,400	2,400	-	2,400	2,400
Rewards	-	81,912	81,912	-	81,000	81,000	-	81,600	81,600
Witness fees	-	3,585	3,585	-	3,600	3,600	-	3,600	3,600
Regular pay in excess 52-week base	-	-	-	-	-	-	25,500	334,100	359,600
Overtime	27,665	407,327	434,992	27,800	416,600	444,400	28,500	421,700	450,200
Premium compensation	-	2,072,292	2,072,292	-	2,160,800	2,160,800	-	2,179,500	2,179,500
Holiday pay	880	42,708	43,588	900	61,800	62,700	900	87,700	88,600
Nightwork differential	14,611	223,538	238,149	21,100	220,700	241,800	33,500	235,900	269,400
Extra compensation (Act 3-2-31):									
Non-reimbursable	-	1,630,146	1,630,146	-	1,699,700	1,699,700	-	1,968,300	1,968,300
Additional pay for service abroad	-	129,898	129,898	-	135,600	135,600	-	143,000	143,000
Payments to other agencies for reimbursable details	-	8,801	8,801	-	3,700	3,700	-	3,900	3,900
Total - Personnel Compensation	3,105,910	45,857,622	48,963,532	3,308,800	48,768,000	52,076,800	3,641,500	50,771,500	54,413,000
Personnel Benefits:									
Accident compensation	-	-	-	-	3,000	3,000	-	33,600	33,600
Foreign quarters allowance	-	139,684	139,684	-	161,300	161,300	-	170,200	170,200
Foreign education allowance	-	15,030	15,030	-	15,600	15,600	-	16,500	16,500
Allowance for uniforms	1,033	309,942	310,975	1,000	320,300	321,300	1,000	308,100	309,100
Separation allowance	-	2,741	2,741	-	2,700	2,700	-	2,700	2,700
Group life insurance, Government contribution	9,807	137,438	147,245	10,200	146,600	156,800	11,200	154,700	165,900
F.I.C.A. taxes, Government contribution	6,813	29,606	36,419	3,600	34,400	38,000	8,600	43,000	51,600
Incentive awards	2,850	44,249	47,099	2,900	46,100	49,000	2,900	48,800	51,700
Employees Health Benefits Act	18,648	383,630	402,278	19,600	392,400	412,000	19,600	382,900	402,500
Payment to retirement fund, Government contribution	182,945	2,602,273	2,785,218	205,000	2,755,000	2,960,000	215,500	2,910,200	3,125,700
Total - Personnel Benefits	222,096	3,664,593	3,886,689	242,300	3,877,400	4,119,700	258,800	4,070,700	4,329,500
Total Personal Services and Benefits	3,328,006	49,522,215	52,850,221	3,551,100	52,645,400	56,196,500	3,900,300	54,842,200	58,742,500

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 admissible, and exclude those found inadmissible.
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.

Activity	Chief Objective
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. 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. The performance of services to facilitate and support operational activities.

New Legislation

The Act of May 31, 1962 (P.L. 87-465) amended the Act of June 26, 1930, as amended (19 U.S.C. 68) by amending the proviso so that the total amount which might be expended for any one project for facilities for the enforcement of the customs and immigration laws shall not exceed $100,000, and, that where the project is for the joint use of the Customs Service and the Immigration and Naturalization Service, the combined cost of the project shall be charged to the two appropriations concerned.

The Act of June 28, 1962 (P.L. 87-510) repealed the last sentence of section 2(a) of the Act of July 14, 1960 (P.L. 86-648), thereby removing the closing date, July 1, 1962, for the parole by the Attorney General of refugee-escapees under that Act.

The Act of July 10, 1962 (P.L. 87-525) authorized the Dow Chemical Company to construct, maintain, and operate a bridge across the Rio Grande at or near Heath Crossing, Texas. The actual construction of the bridge is to be commenced within one year and completed within three years from the date of enactment of this Act.

The Act of July 10, 1962, (P.L. 87-532) authorized the San Benito International Bridge Company to construct, maintain, and operate a toll bridge across the Rio Grande near Los Indios, Texas, and authorized the Starr-Camargo Bridge Company to construct, maintain, and operate a toll bridge across the Rio Grande near Rio Grande City, Texas. The construction of such bridges is required to be commenced within three years and completed within five years from the date of enactment of this Act.

The Act of October 24, 1962, (P.L. 87-885) provides nonquota status for certain first preference quota immigrants (those determined by the Attorney General to be needed urgently in the United States because of their education, training, experience, ability, etc.), and certain fourth preference quota immigrants (brothers, sisters, married sons or married daughters of citizens of the United States and accompanying spouses and children).

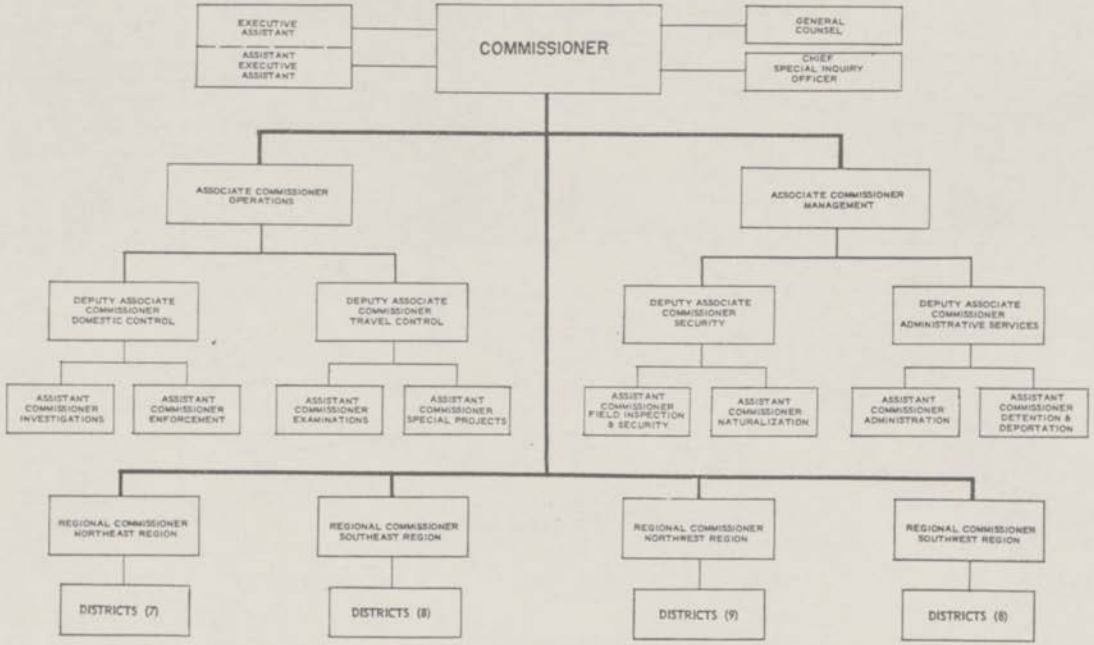
Under Public Law 87-885 the Attorney General is required to submit periodic reports to the Congress concerning the approval of each first preference visa petition, setting forth the basis of his approval in each case.

Public Law 87-885 extensively amends section 244 of the Immigration and Nationality Act, as amended (8 U.S.C. 1254), dealing with suspension of deportation. It simplifies the language of that section and in lieu of the five categories of qualified aliens provides two categories. The first of the new categories includes all deportable aliens, other than those specified in the second category, who can establish continuous physical presence in the United States and good moral character for seven years. The second category includes deportable aliens with aggravated violations (criminals, immoral aliens, narcotic violators, subversives, violators of registration and reporting requirements), who can qualify by establishing physical presence and good moral character for ten years. Disqualified for eligibility under amended section 244 are exchange visitors, crewmen, and most citizens of Canada, Mexico, and adjacent islands.

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 relations to the districts.

UNITED STATES DEPARTMENT OF JUSTICE
IMMIGRATION AND NATURALIZATION SERVICE



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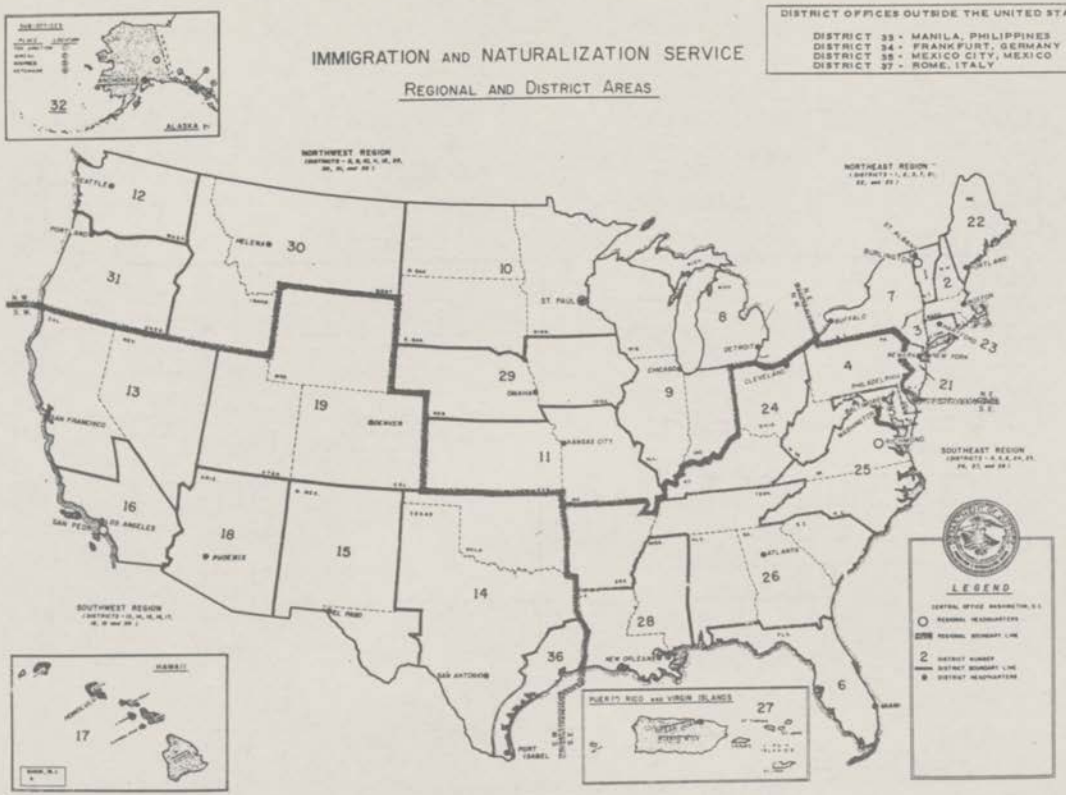
IMMIGRATION AND NATURALIZATION SERVICE
REGIONAL AND DISTRICT AREAS
DISTRICT OFFICES OUTSIDE THE UNITED STATES
DISTRICT 33 - MANILA, PHILIPPINES
DISTRICT 34 - FRANKFURT, GERMANY
DISTRICT 35 - MEXICO CITY, MEXICO
DISTRICT 37 - ROME, ITALY
NORTHWEST REGION
NORTHEAST REGION
SOUTHEAST REGION
SOUTHWEST REGION
SEATTLE
HELENA
ST. PAUL
BUFFALO
DETROIT
CHICAGO
CLEVELAND
NEW YORK
PHILADELPHIA
WASHINGTON
SAN FRANCISCO
DENVER
KANSAS CITY
LOS ANGELES
PHOENIX
SAN ANTONIO
ATLANTA
NEW ORLEANS
MIAMI
PUERTO RICO and VIRGIN ISLANDS
HAWAII
ALASKA
LEGEND
REGIONAL HEADQUARTERS
REGIONAL BOUNDARY LINE
DISTRICT NUMBER
DISTRICT BOUNDARY LINE
DISTRICT HEADQUARTERS

Broad Comparison

This budget reflects a net decrease of 122 positions and 128 man years. The total estimate for the fiscal year 1964 is $70,000,000, as compared with the appropriation for the fiscal year 1963, of $64,050,000, plus a proposed supplemental of $2,339,000, minus $28,000 transferred to "Operating Expenses, General Services Administration", totaling $66,361,000, a net increase of $3,639,000. Major subdivisions of the net increase are:

(1) construction, repair and alteration of inspection and border patrol stations, $328,500; (2) equipment costs including vehicle, aircraft, and radio replacements; purchase of five tractors and emergency generators, $270,300; (3) accident compensation, statutory salary advancements, inspection overtime-Government liability, filing index cards in the master index and airport space (P.L. 87-255), $1,315,900. Additions to the base are made for two extra days in 1964, postal rate increase, alien address program increase, employees salary increase and F.I.C.A. increase, $2,875,300. Decrease in the Border Patrol force results in a $1,151,000 reduction.

The obligation adjustments applied to the 1963 appropriation in order to arrive at a base for 1964 are listed by topics and by activities on the statement entitled "Detail of Adjustments in Base." The adjustments amount to a net increase of $1,428,200. Applying this to the 1963 appropriation provides a base of $67,789,200 (including 1963 proposed supplemental salary increase, minus a transfer to General Services Administration) for purposes of comparison with the 1964 estimate. This results in a comparative increase of $2,210,800 for the fiscal year 1964.

The comparative increase is subdivided into a decrease of $237,400 for personal services and benefits, and an increase of $2,448,200 for other objects or a net increase of $2,210,800, 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 $1,942,000 for the fiscal year 1963 and $1,860,000 for the fiscal year 1964, 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 $4,613,441.55 last fiscal year. Such funds are not available for obligation by the Service.

A tabulation setting forth in detail the increases, additions to base, and decreases between the fiscal year 1963 and 1964 is reflected on the following page.

Broad Comparison Tabulation

	1963	1964		Difference	
Appropriation	$64,050,000	$70,000,000		+5,950,000	
Proposed supplemental	2,339,000	-		-2,339,000	
Transfer to "Operating Expenses, General Services Administration"	- 28,000	-		+ 28,000	
	66,361,000	70,000,000		+3,639,000	
Increases:					
(1) Construction:					
Inspection Stations	$225,000	$240,000	$ + 15,000		
Border Patrol Stations	-	247,500	+ 247,500		
Repairs and alterations	89,700	155,700	+ 66,000	$ + 328,500	
(2) Equipment costs:					
Passenger vehicles	467,500	491,800	+ 24,300		
Trucks	356,300	377,500	+ 21,200		
Aircraft	117,000	112,000	- 5,000		
Tractors	-	22,500	+ 22,500		
Emergency generator equipment	-	185,900	+ 185,900		
Immigration and Naturalization Records equipment	14,100	-	- 14,100		
Radio system renewal	174,500	210,000	+ 35,500	+ 270,300	
(3) Other increases:					
Accident compensation (P.L. 86-767)	3,000	33,600	+ 30,600		
Within grade salary advancements	-	478,800	+ 478,800		
Government liability overtime (5 USC 342c-342d)	-	168,500	+ 168,500		
Filing index cards in master index	-	138,000	+ 138,000		
Airport space (P.L. 87-255)	-	500,000	+ 500,000	+1,315,900	
Additions to base:					
2 Extra days pay in 1964	-	378,100	+ 378,100		
Postal rate increase	-	65,500	+ 65,500		
Alien address program increase	-	13,900	+ 13,900		
F.I.C.A. tax increase, P.L. 87-64	-	5,800	+ 5,800		
Employees salary increase (P.L. 87-793)	-	2,412,000	+2,412,000	+2,875,300	
Decreases:					
Reduction in Border Patrol Force	-	-1,151,000		-1,151,000	
Net increase	98778	747		$ 3,639,000	

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	$1,003,800	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 and purchase of 5 tractors to establish and maintain sign-cutting trails to combat illegal entry into the United States.
Station repairs and alterations	155,700	Annual maintenance and changes required for safe operation and prevention of deterioration.
Statutory salary advancements	478,800	Unabsorbed portion of statutory within grade salary advancements.
Radio system renewal	210,000	Scheduled replacement of equipment worn out through ordinary wear and tear and improvements to meet operational needs.
Accident Compensation	33,600	To cover the cost to the Service of reimbursement to the Bureau of Employees compensation for claims by Service employees.
Filing Index Cards in Master Index	138,000	The master index is an integration of all Service indexes. Purging project will assure a current index card for each case file pursuant to Section 290 of the Immigration and Nationality Act.

Item	Amount	Purpose (in brief)
Emergency generator equipment	$ 185,900	Continued operation of essential Service functions at certain key locations requires stand-by electrical power to be available when public utility lines fail, and in event of a national emergency.
Constructing border inspection stations	240,000	Joint program with Customs for constructing 6 border inspection stations or adjunct facilities where present arrangements are grossly inadequate.
Constructing Border Patrol Stations	247,500	For the construction of facilities to replace inadequate Border Patrol stations.
Overtime Government Liability	168,500	International traffic increases with peak loads falling on week-ends and holidays requiring inspection overtime.
Airport space (P.L. 87-255)	500,000	For space rental at public airports for inspection of persons arriving from foreign countries.
Reduction in Border Patrol Force	-1,151,000	Enforcement of departure control in connection with conditions in the Caribbean area program rescheduled.
Total	$2,210,800	

Explanation of Language Change

Aircraft. A change is required to make 1964 appropriation available for the replacement of light airplanes. Age table and other data in support of the replacements appear in the section dealing with the Border Patrol.

Detail of Adjustments in Base - Obligations

	Insp'n.	Det. & Dep.	Nat'n.	Border Patrol	Inv'n.	I&N Records	General Adminis.	Total
Reductions								
1. Passenger vehicle replacements (250):								
Vehicles	$ 62,300	$ 1,800	$ 3,400	$218,000	$147,000	-	-	$432,500
Delivery costs	5,000	100	300	17,700	11,900	-	-	35,000
Sub-total, item 1	67,300	1,900	3,700	235,700	158,900	-	-	467,500
2. Truck replacements (118):								
Vehicles	-	-	-	332,700	-	-	-	332,700
Delivery costs	-	-	-	23,600	-	-	-	23,600
Sub-total, item 2	-	-	-	356,300	-	-	-	356,300
3. Aircraft replacements (5)	-	-	-	117,000	-	-	-	117,000
4. Radio system renewal	-	-	-	174,500	-	-	-	174,500
5. Border inspection stations (6)	225,000	-	-	-	-	-	-	225,000
6. Station repairs and alterations:								
Contractual services	12,600	10,100	900	43,900	2,900	1,600	500	72,500
Supplies and materials	200	1,700	-	700	100	-	-	2,700
Lands and structures	200	300	-	13,600	100	200	100	14,500
Sub-total, item 6	13,000	12,100	900	58,200	3,100	1,800	600	89,700
7. Immigration and naturalization records increase - equipment	-	-	-	-	-	14,100	-	14,100
8. Accident compensation	-	-	-	-	-	-	3,000	3,000
Total reductions (-)	305,300	14,000	4,600	941,700	162,000	15,900	3,600	1,447,100
Additions								
9. Two extra days in 1964 than 1963	96,600	28,800	23,800	103,400	71,200	32,500	21,800	378,100
10 Postal rate increase	19,500	2,400	12,900	3,100	4,000	20,200	3,400	65,500
11. Alien address program increase	-	-	-	-	-	13,900	-	13,900
12. F.I.C.A. increase P.L. 87-64	900	900	300	900	300	2,100	400	5,800
13. Employees salary increase, P.L. 87-793	698,000	178,500	144,600	613,700	440,400	207,200	129,600	2,412,000
Total additions (+)	815,000	210,600	181,600	721,100	515,900	275,900	155,200	2,875,300
Net adjustment in base	+509,700	+196,600	+177,000	-220,600	+353,900	+260,000	+151,600	+1,428,200

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 1964. Comments as to numbered items on that tabulation follow:

Items 1 through 6 fall within the so-called "non-recurring" 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 1964. This eliminates from the base all funds for replacement of passenger vehicles, trucks, and aircraft, renewal of the border patrol radio system, construction, and annual repairs to immigration stations.

Item 7 eliminates the 1963 fiscal year cost of equipment for additional positions in the records activity.

Item 8 accident compensation reimbursable to the Employee Compensation Fund also falls within the so-called "non-recurring" category, and 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 1964.

Item 9 reflects the upward adjustment on account of 262 compensable days in the fiscal year 1964 compared with 260 in 1963.

Item 10 reflects 25% increase in postal rates of the 1963 estimate of $261,900, or $65,500.

Item 11 Since 1959 the Post Office Department has increased the cost per card from 9.114 cents to 9.518 cents in 1962. With the mounting yearly increase in the number of cards for which funds

are reimbursable to the Post Office Department, the Service cannot further absorb this cost. This item is to cover not only the increased cost per card but also the cost of additional reports filed each year. Last year 3,128,765 cards were filed.

Item 12 Federal Insurance Contributions Act under Public Law 87-64 increased from 3 1/8% January 1, 1962 to 3 5/8% for calendar years 1963 through 1965.

Item 13 The Postal Service and Federal Employees Salary Act of 1962, P.L. 87-793, approved October 11, 1962, increased salaries of employees, under Compensation Schedule I, effective October 14, 1962, by $2,339,000. It also increases the cost of salaries of employees, under Compensation Schedule II, effective January 5, 1964. The total actual cost in 1964 of both increases is $4,751,000. This amount less $2,339,000 in the base makes a net adjustment of $2,412,000.

FORCE AND WORKLOAD
INSPECTION FOR ADMISSION INTO THE UNITED STATES

	ACTUAL			ESTIMATE	
	1960	1961	1962	1963	1964
Positions					
Supervisory	93	91	88	89	89
Officers	1,146	1,114	1,126	1,154	1,154
Clerical	440	476	516	518	518
Detention officers	9	8	7	7	7
Custodial	2	2	2	2	2
Central Office	38	42	42	42	42
Total permanent positions	1,728	1,733	1,781	1,812	1,812
Average permanent employees	1,608	1,654	1,658	1,700	1,694
Average number of all employees	1,663	1,716	1,741	1,752	1,746
Workload					
Border Crossers	154,034,400	160,294,175	164,980,440	171,500,000	176,800,000
Aliens	88,991,881	92,259,659	94,835,674	99,000,000	102,000,000
Citizens	65,530,577	68,034,516	70,144,766	72,500,000	74,800,000
Other aliens admitted	2,255,630	2,340,720	2,582,747	2,850,000	3,000,000
Other citizens admitted	2,698,083	2,805,866	3,102,405	3,392,000	3,700,000
Aliens denied entry on primary inspection	148,436	158,738	149,463	152,000	152,000
Special inquiry hearings (exclusion)	1,464	2,599	1,010	1,100	1,100
Crewmen examined (arrived)	2,530,961	2,560,884	2,622,340	2,678,000	2,716,000
Aliens	1,707,992	1,746,339	1,762,356	1,828,000	1,865,000
Citizens	822,969	814,545	859,984	850,000	851,000
Vessels boarded (arrived)	67,064	67,680	68,828	70,000	72,000
Aircraft examined (arrived)	176,029	173,312	179,648	182,000	184,000
Stowaways found on arriving vessels	240	213	241	250	250
Visa petitions	81,542	77,301	70,086	72,000	72,000
Extensions of temporary stay	158,043	182,179	175,196	185,000	185,000
Applications, waiver of excludability(a)	2,171	1,850	2,270	4,800	4,800
Change of nonimmigrant status	7,737	11,220	11,759	12,000	12,250
Change from nonimmigrant to immigrant status	14,783	13,365	16,754	18,000	19,000
Petitions to import	10,153	12,146	12,743	14,100	14,800
Creation of record of admission	5,363	5,711	3,565	3,100	2,600
Aliens paroled into U. S.	69,393	86,783	184,125	200,000	200,000
Visa petitions - revalidation(b)	-	-	9,457	9,500	9,500

(a) 1960, 1961, and 1962 statistics do not include Section 212(d)(3) orders written in the Central Office.
(b) 1960 and 1961 statistics not reported.

1. INSPECTION FOR ADMISSION INTO THE UNITED STATES

Appropriation base	$17,821,000
Budget estimate	18,941,600
Increase in the budget estimate over the appropriation base	1,120,600

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, transits, etc., visa petitions and permission to reapply.

Previous Year Performance

International Travel. The upward trend in international travel continues. This activity is the source of the principal workloads within the Service. The workload increases are a natural product of the gains in total international travel which last year showed a 3% increase

over the fiscal year 1961. Total admissions reached a new record of 173.3 million during the past fiscal year. While some 95% of these were entries by border crossers, passenger arrivals by sea and air increased 10% over the previous year. These two items of international travel reflect the following increases:

Fiscal Year	Entires over land boundaries	Passenger arrivals by sea and air (excluding crewmen, military personnel and traffic from insular possessions)
1958	144,298,007	2,427,540
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

The upward trend in the total volume of aliens admitted with documents is shown in the following table:

Fiscal Year	Aliens Admitted		
	Immigrant	Nonimmigrant	Total
1958	253,265	847,764	1,101,029
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

In the fiscal year 1962 the total volume of such admissions increased 8% over the fiscal year 1961.

Preinspection and En Route Inspection. Preinspection in foreign countries of persons who desire to visit the United States has proven to be an effective way to expedite international travel. The procedure is currently in effect in Winnepeg, Toronto, Montreal, Vancouver, Bermuda, Nassau, Guam, and Puerto Rico in the case of air passengers, and in Victoria and Bermuda in the case of ship passengers. En route inspection is carried out on steamship lines operating between Yokohama and Honolulu; the Fiji Islands and Honolulu; Vancouver and San Francisco; and on some railroad lines operating between Canada and the United States.

Refugee Parole Program. Since the inception of the refugee parole program following the passage of the Act of July 14, 1960, a total of 19,377 registrations have been received. Of this number, 12,396 have been found qualified while 6,082 have been rejected or otherwise closed. A total of 5,328 refugee-escapees were paroled into the United States during the year as compared to 2,932 for the previous year.

Cuban Refugees. Last year there was an increase in the volume of refugees fleeing the Castro regime in Cuba. They arrived directly from Cuba by common carrier, small boats, commandeered aircraft, and from Mexico, after having made their way to that country from Cuba. By the end of the fiscal year the Service had processed 125,800 such Cubans as compared with the 62,190 who had been processed as of the close of the fiscal year 1961.

Importation of Mexican Agricultural Workers. The importation of Mexican agricultural workers continued at about the same rate as the previous year, 282,556 such workers being admitted during the year. The number of such admissions during the past two years was considerably lower than prior years, the effect of which is discussed in that part of these justifications relating to the Border Patrol activity.

Adjudications. Adjudication is the activity wherein the Service determines whether a person is eligible for benefits and privileges which he applies for under the immigration and related laws while generally 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 United States 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; approval of schools for attendance by foreign students, etc.

There was a substantial increase in the number of applications processed in behalf of aliens who applied for change of status to that of immigrant, and this is one of the more complex areas of adjudications work. In the fiscal year 1961, 13,365 such applications were processed as compared to 16,754 this past fiscal year, a 25% increase.

The processing of applications for visa petitions is another major category of adjudications work. While there was some decrease in the total number of visa petitions completed during the past fiscal year, the number of first preference petitions completed remained at a high level. The processing of first preference petitions is much more involved than any other type of visa petition.

The general decrease in receipts of visa petitions stems mainly from rotation of Armed Forces personnel and their dependents and the fact that the German nonpreference portion of the quota was available during the entire year, thus obviating the need for the filing of a petition.

There were 9,048 applications for permission to reapply for admission to the United States this past fiscal year compared to 6,321 the previous year, an increase of 43%.

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Under the terms of the Act of September 21, 1961, (Mutual Educational and Cultural Exchange Act of 1961), the Service has the responsibility of determining whether to waive the statutory requirement that an exchange alien reside abroad for a period of two years after departure before he is eligible to apply for an immigrant visa or for a visa for temporary admission under section 101(a)(15)(H) of the Immigration and Nationality Act. While the total number of such applications, 1,508, is not large, the time spent in their adjudication is significant since the applicant and his family must be interviewed, the evidence submitted by the applicant reviewed, and all the facts existing in the case carefully considered and evaluated to determine whether the facts in the case justify a waiver.

Revenue. The Immigration and Nationality Act contains provisions for administrative fines and penalties 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 personnel, and (c) failure to prevent illegal landing of alien crewmen and stowaways. In the fiscal year 1962, revenue from fines and penalties amounted to $329,696. Fees for applications, permits, and other actions relating to admission to the United States or eligibility to remain, amount to about $3,000,000 annually. All such funds are covered into the general fund of the Treasury and are not available for obligation.

PROGRAM OUTLOOK

International Travel. Issuance of visas has been speeded up; larger and more efficient airplanes are being placed into service; new roads and road improvements are commonplace; and service by ocean-going vessels has been improved. These factors, plus effects of the International Travel Act (Public Law 87-63) enacted June 29, 1961, will result in a substantial increase in international travel.

The trend in the flow of arrivals requiring inspection established in the last few years and projected for 1963 and 1964 is shown as follows:

	Arrived and Inspected (In millions)		
Fiscal Year	Aliens	Citizens	Total
1958	82.5	68.9	151.3
1959	87.7	69.0	156.7
1960	93.0	68.6	161.5
1961	96.3	71.7	168.0
1962	99.2	74.1	173.3
1963 Estimate	103.5	77.5	181.0
1964 Estimate	106.9	78.6	185.1

Other factors pointing to continued increase in international travel and related matters are listed as follows:

Airports. The new "International Satellite" Airport facility at Los Angeles has been completed. Inspection facilities were occupied on June 1, 1962. Operations began at the new Honolulu International Airport on October 15, 1962.

The Dulles International Airport, Washington, D. C. began operation Monday, November 19, 1962. It is expected to become a major airport of entry for overseas flights. The new international facilities at O'Hare Field, Chicago, Illinois, have been completed and it is now a major international air terminal.

Land Ports. A new bridge replacing the old one opened at Lewiston , New York, November 1, 1962, and a new bridge replaced a ferry at Lubec, Maine, in August 1962. A new four-lane interstate highway connecting Derby Line, Vermont, with Rock Island, Quebec, was completed November 26, 1962.

Authorizations. It is anticipated that visa petitions will increase somewhat due to the fact that military rotation has begun again and visa petitions will be filed by military personnel ordered home in behalf of spouses married while abroad. As international travel increases and more and more aliens enter the United States, it is anticipated that other applications will increase, particularly applications for permission to reapply and changes in nonimmigrant status.

INSPECTION FOR ADMISSION INTO THE UNITED STATES

INCREASE-- $1,120,600

A.	Passenger vehicle replacements (36):		$ 67,300
	Vehicles	$62,300	
	Freight	5,000	
B.	Statutory salary advancements		124,600
C.	Repairs and alterations, immigration stations		20,200
D.	Border inspection stations		240,000
E.	Overtime, Government Liability		168,500
F.	Airport space (P.L. 87-255)		500,000
	Total		1,120,600

A. Passenger Vehicle Replacements (36)--Increase $ 67,300

B. Statutory Salary Advancements--Increase $124,600

C. Repairs and Alterations, Immigration Stations--Increase $20,200

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 Inspection Activity.

D. Border Inspection Stations--Increase $240,000

There is an urgent need for more suitable buildings and adjunct facilities for the inspection of aliens entering the United States across the land boundaries. At many locations the only quarters available for immigration and customs inspection are in rented buildings so situated that inspection is accomplished only by voluntary appearance of the entrant. It is estimated that approximately 25% of border crossers in these areas fail to make their appearance at the inspection point. At other places the buildings are inadequate and disgraceful in appearance.

A complete listing of required projects and estimated costs has been developed in cooperation with the Bureau of Customs under the guidance of the Bureau of the Budget. New or enlarged inspection facilities are required at 27 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. This estimate provides for construction at six locations during the fiscal year 1964.

When actual construction takes place the cost will vary from one location to another depending on local pay scales, sub-surface conditions, availability of utility lines, site preparation, etc. However, the overall estimate has been developed on the basis of average conditions as follows:

	Sq. Ft.	Unit	Amount
Station building	1,100	18	$20,000
Canopy	500	13	6,500
Site, utility installation, etc.			10,000
Grading, approaches and driveways			10,000
Total for station without living quarters			46,500
Cottage	1,200	15	18,200
Garage	288	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 1964 is summarized as follows:

Location	Cost of Station	Cottages No.	Cottages Amount	Appliances	Total Cost	I&N Cost
1. Easton, Maine	$46,500	2	$40,000	$3,500	$90,000	$45,000
2. Wild Horse, Montana	46,500	2	40,000	3,500	90,000	45,000
3. Carbury, North Dakota	46,500	2	40,000	3,500	90,000	45,000
4. Neche, North Dakota	49,000	-	-	1,000	50,000	25,000
5. Point Roberts, Washington	46,500	2	40,000	3,500	90,000	45,000
6. Porthill, Idaho	-	3	66,250	3,750	70,000*	35,000*
	235,000		226,250	18,750	480,000	240,000

* Including site improvements and utilities.

1. EASTON, MAINE

The present station is located one mile from the border in dilapidated leased quarters, unfit for habitation. In addition, the station is on the wrong side of the highway for properly conducting inspections. Approximately 33,000 persons enter this port annually. Port hours are 7:00 a.m. to midnight and it is manned by two customs officers. It is proposed to construct a new office building and two cottages for personnel.

2. WILD HORSE, MONTANA

The present station is located in a trailer. Approximately 13,000 persons enter this port annually. Port hours are 9:00 a.m. to 10:00 p.m., May 15 through September 30 and 9:00 a.m. to 6:00 p.m., October 1 through May 14. The station is manned by two immigration officers. It is proposed to construct an office building and two cottages for personnel.

3. CARBURY, NORTH DAKOTA

The present station is located in a small rented frame building without modern conveniences about 8 miles from the border. There are two lateral roads intersecting the highway between the inspection station and the border. Approximately 18,000 persons enter annually. Port hours are 9:00 a.m. to 10:00 p.m., and it is manned by one immigration officer and one customs officer. The Government owns a 5-acre tract at the border. It is proposed to construct an office building and two cottages for the personnel on this site.

4. NECHE, NORTH DAKOTA

Inspections are presently conducted in a badly deteriorated Government-owned building near the border. Because of a highway relocation, the station is approximately 150 feet from the highway proper which necessitates a detour of traffic for inspection. Approximately 130,000 persons enter at this port annually. Port hours are 8:00 a.m. to midnight, and it is manned by two immigration officers and two customs officers. It is proposed to construct a new station at the border.

5. POINT ROBERTS, WASHINGTON

The present facility consists of a small frame shack near the border, grossly inadequate for an inspection station. It lacks such essentials as water and toilet facilities. Approximately 650,000 persons enter through the port annually. The station is manned by two customs officers from 8:00 a.m. to midnight. It is proposed to construct a new office building and two residences.

6. PORTHILL, IDAHO

The highway in this area has been relocated. The General Services Administration has requested funds for the fiscal year 1963 for constructing a new station building only. Approximately 116,000 persons enter through this port annually. The station is manned by one customs officer and two immigration officers from 7:00 a.m. to 11:00 p.m. It is proposed to convert the present port building into a residence and construct two new residences. Porthill has approximately 10 houses and 50 to 60 people. Officers presently commute as far as 30 miles each way.

E. Overtime, Government Liability--Increase $168,500

International traffic continues to increase at the rate of approximately 4% per year. While commercial carriers are required to pay the cost of overtime inspection of non-schedule or off-schedule aircraft, the Federal government is required to pay the cost of inspection overtime of regularly-schedule and on-time aircraft. Peak traffic loads falling on weekends and holidays have caused requirements for inspection overtime, under the Act of March 2, 1931, to increase at an even greater rate. The increase in the cost of this item has averaged 10.3% per year since 1958. The requirement for the fiscal year 1964 has been calculated accordingly. The 1962 fiscal year cost was $1,630,146 and the 1964 estimate is $1,798,600, an increase of $168,500.

F. Airport Space--Increase $500,000

Public Law 87-255, approved September 20, 1961, amended Section 1109 of the Federal Aviation Act. The amendment authorizes the appropriation of Federal funds for the acquisition of space at public airports for the performance of certain Federal functions, including the inspection of persons or property moving in air commerce. $500,000 is the estimated rental of airport space occupied by this Service.

FORCE AND WORKLOAD
DETENTION AND DEPORTATION

	ACTUAL			ESTIMATE	
	1960	1961	1962	1963	1964
Positions					
Supervisory	22	21	19	19	19
Officers	116	117	139	152	152
Clerical	181	143	129	132	132
Detention officers	187	186	190	216	216
Custodial	11	12	15	18	18
Central Office	34	34	30	30	30
Total permanent positions	551	513	522	567	567
Average permanent employees	499	493	495	529	527
Average number of all employees	504	499	510	537	535
Workload					
Aliens expelled:					
Deported under formal order	6,829	7,438	7,637	8,000	8,000
Required to depart	52,796	52,383	54,164	55,000	55,000
Total expelled	59,625	59,821	61,801	63,000	63,000
Indigent aliens returned to their native land at their own request	95	143	182	150	150
Orders to show cause served	11,817	17,252	19,336	20,000	20,000
Warrants of arrest served	6,694	10,072	14,013	14,000	14,000
Hearings conducted	11,615	13,004	10,431	12,000	12,000
Average number of aliens in detention	770	791	836	850	850
Aliens released on recognizance	1,705	1,782	484	500	500
Aliens placed on bond	665	524	524	550	550
Aliens placed under supervision	1,542	3,213	1,578	1,920	1,920
Unexecuted final orders of deportation pending at end of year	5,708	5,749	5,167	5,000	5,000
Reports in private bill cases	1,473	1,462	1,325	1,400	1,400

2. DETENTION AND DEPORTATION

Appropriation base	$6,120,100
Budget estimate	6,202,300
Increase in the budget estimate over the appropriation base	82,200

Obligations under this activity include salaries and other expenses for the detention, deportation, and parole of aliens. This 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 deportations effected during the fiscal year 1962 remained at the high level established during the fiscal year 1961. Continuing stress on closer liaison with foreign consular officers and prompt scheduling of transportation arrangements have made this possible. The number of actual deportable cases awaiting the issuance of travel documents dropped from 197 on June 30, 1961, to 117 on June 30, 1962. In this latter group, reservations have already been made or will soon be completed.

682 aliens were deported on criminal, immoral, or narcotic charges, and 7 were deported on subversive charges or were aliens with subversive backgrounds. Among those aliens deported with criminal backgrounds was Simone Scozzari, a notorious West Coast gambler, who

attended the famed meeting of top racketeers at Apalachin, New York, in 1957. On May 21, 1962, after four years of appeal and litigation, the Supreme Court denied his petition for a writ of certiorari, and he was deported to Italy on June 13, 1962. Michele Abati, named in the Kefauver Committee hearings as an associate of known criminals, who had been under deportation proceedings since 1954, voluntarily departed from the United States on July 8, 1961. Harry Carlisle elected to execute his order of deportation by departing to Czechoslovakia at his own expense on June 17, 1962. He had been a Communist functionary since 1933, holding such positions as organizer and teacher at the Communist Party Los Angeles Workers School, and Communist Party Section Educational Director at Los Angeles, editor of the Communist West Coast newspaper, the Western Worker, and Executive Secretary of the American Committee for Protection of the Foreign Born, a Communist-front organization. Diamond Kimm, a Korean national under deportation proceedings since the early forties, and an editor for the newspaper, Korean Independence, who consistently refused to answer questions concerning his communist affiliations by invoking the Fifth Amendment, also departed to Czechoslovakia at his own expense on January 13, 1962, under an order of deportation. His common-law wife, Fania Goorwitch, a native of Russia and an employee of the Los Angeles branch of the Ministry of Soviet National Economy, accompanied him. Willie Hirsch, a member of the Communist Party, who had been arrested on espionage charges on October 27, 1960, departed under an order of deportation July 21, 1961.

Deportation of Mentally or Physically Ill Aliens. During the year, 64 mentally incompetent aliens were deported or removed. The cases had already cost over $200,000. Had they continued to remain in public institutions for their normal life expectancy, over $3,000,000 of public funds would have been required for their maintenance and treatment.

Detention Facilities. The Service detention facility at McAllen, Texas, was closed during the year. The activities performed there were transferred to the newly acquired Service installation at Port Isabel, Texas. A modern detention facility was fashioned out of already existing structures at Port Isabel, which has resulted in a more efficient detention operation. Full use is also being made of the detention facilities at New York, El Paso, and El Centro. Security checking incident to the large influx of Cuban refugees required immediate establishment of a processing procedure in Florida. Staffing was accomplished by a downward adjustment of positions from the border patrol force.

It was necessary to initially admit 21,505 aliens into Service facilities during the past fiscal year, 86% more than in the fiscal year 1961. The average detention period per detainee was 6.5 days. In non-Service facilities 13,007 aliens were initially admitted and the average days of detention per detainee was 4.5 days.

During the year, a program of periodic inspection of non-Service detention facilities was instituted to further insure proper maintenance of aliens detained under Service jurisdiction.

Administrative Prosecutions. Deportation proceedings are instituted through the service of an order to show cause which sets forth allegations and grounds of deportability and orders appearance before a special inquiry officer. If the alien admits the allegations and deportability, deportability is established. If the allegations or charges are contested, an examining officer must be assigned to prosecute the Government's case. On April 12, 1962, responsibility for examining officer functions was placed in 16 newly created Trial Attorney positions under the supervision of the General Counsel. A corresponding number of Investigator positions was eliminated. During the year 19,336 hearings, including reopened hearings, were conducted.

Service Representatives Before the Board of Immigration Appeals. Two Service attorneys represent the Service before the Board of Immigration Appeals in all proceedings at the appellate level involving deportation and exclusion cases, administrative fines, visa petitions, and bail matters. In addition to 315 appearances in oral argument in contested matters before the Board, they reviewed 1,151 cases received by the Board. The administrative supervision of the Service Representatives was transferred on January 29, 1962, from the Assistant Commissioner, Investigations, to the office of General Counsel.

Private Bills. The 1,150 private immigration and nationality bills introduced during the fiscal year 1962 represent a 3% increase over the fiscal year 1960, which includes a comparable second session of Congress. The major source of private bills continues to be oversubscribed quotas. A survey of bills introduced in the 87th Congress as of June 30, 1962, reveals that over

75% of the beneficiaries need private legislation because quota numbers are not available.

During the fiscal year, Congress was furnished full reports on 1,325 bills and 612 supplemental reports. Additionally, reinvestigation was completed and reports were received on 500 reintroduced bills which needed no new reports to Congress. Congress took favorable action on 259 bills and adverse action on 705 bills.

Program Outlook

Deportation. The significant increase in the number of temporary visitors to the United States as a result of the emphasis on international tourism will bring a corresponding increase in the number of aliens who violate their status as visitors. Thus, the number of deportations and related actions can be expected to rise.

Among the many difficulties experienced in effecting deportations are the problems encountered in obtaining travel documents and arranging transportation and the need for detaining aliens in custodial status until deportation takes place. Service officers will continue to develop close working arrangements with foreign consuls to obtain favorable and expeditious action on requests for the issuance of travel documents. The newly added section 106 of the Immigration and Nationality Act provides for but one judicial review of orders of deportation. As a result, it is anticipated that there will be less dilatory litigation over the next two years to delay the deportation process.

Detention. Additional problems along the border such as crop failures on the Mexican side coupled with the diminishing activity in Mexican bracero admissions are expected to continue the rise in mandays detention of aliens.

Unexecuted Final Orders of Deportation. The number of unexecuted final orders of deportation declined from 5,749 at the end of the previous year to 5,167 on June 30, 1962. However, most of this decline is due to changes in procedure whereby certain cases, in which final action under section 243(h) has been deferred, were removed to the inactive categories. A breakdown of the reasons why deportation has not been effected in the past few years is shown in the following tabulation:

	Unexecuted Orders as of June 30,				
	1958	1959	1960	1961	1962
Completely ready for deportation	397	357	423	197	117
Unexpired voluntary departures after order	2,017	944	605	933	971
Deportation document application pending	804	705	621	538	440
In institutions	1,654	1,627	1,624	1,680	1,591
Suspensions not yet referred to Congress	87	16	2	-	8
Private bill stays	691	533	517	630	662
Litigation stays	203	187	290	379	263
Temporary stay for cause; section 243(h) applicants, etc.	1,494	1,290	1,630	1,392	1,115
Total unexecuted orders	7,347	5,659	5,712	5,749	5,167

The number of unexecuted orders still includes a large number of cases in court litigation and non-subversive and non-criminal Cubans already under orders of deportation in whose cases deportation was stayed before procedures were changed whereby such Cubans are no longer placed under deportation proceedings. The Service's continued efforts to reduce the number of active unexecuted orders plus the decrease in dilatory litigation is expected to reduce the number of cases in the next two years.

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DETENTION AND DEPORTATION

INCREASE--$82,200

A. Statutory salary advancements		$33,400
B. Repairs and alterations, immigration stations		13,900
C. Passenger vehicle replacements (1):		1,900
Vehicle	$1,800	
Freight	100	
D. Emergency Power Generators		33,000
Total		82,200

A. Statutory Salary Advancements--Increase $33,400

B. Repairs and Alterations, Immigration Stations--Increase $13,900

C. Passenger Vehicle Replacements--Increase $1,900

D. Emergency Power Generators--Increase $33,000

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 portion chargeable to the Detention and Deportation activity.

FORCE AND WORKLOAD
NATURALIZATION

	ACTUAL			ESTIMATE	
	1960	1961	1962	1963	1964
Positions:					
Supervisory	23	23	27	27	27
Officers	159	168	183	183	183
Clerical	229	235	240	240	240
Custodial	-	-	-	-	-
Central Office	18	19	19	19	19
Total permanent positions	429	445	469	469	469
Average permanent employees	397	415	434	432	431
Average number of all employees	403	423	440	437	436
Workload (production)					
Applications, petitions for naturalization (N-400,402)	168,199	189,923	175,446	175,000	178,000
Petitions filed with the courts	127,543	138,718	129,682	133,000	135,000
Recommendations to courts	123,383	137,051	132,577	131,000	131,000
Persons naturalized	119,909	132,815	127,808	130,000	130,000
Applications, derivative citizenship certificates (N-600)	36,770	42,283	42,697	42,000	43,000
Applications for new naturalization papers (N-565, 575)	8,962	9,317	8,846	10,000	10,000
Applications, declarations of intention (N-300)	17,809	17,878	16,463	17,000	17,000
Declarations filed with courts	16,255	15,921	15,120	15,500	15,500
Aliens referred to public schools	223,997	99,328	105,254	100,000	100,000
Citizenship textbooks distributed	133,210	191,931	205,893	190,000	190,000

3. NATURALIZATION

Appropriation base	$4,053,900
Budget estimate	4,092,300
Increase in the budget estimate from the appropriation base	38,400

Obligations under this activity include salaries and other expenses for administration and enforcement of the nationality laws. 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. Currency in naturalization and citizenship case work, which has become a trademark of Service accomplishment during recent years, was again realized during the fiscal year 1962. As a rule, petitions for naturalization continued to be filed within a few weeks of application receipt and, thereafter, were finally considered by the naturalization courts at the next regularly scheduled final hearings. Certificates of citizenship and other nationality applications were also disposed of in a similarly expeditious manner.

A statistical comparison of the work performed during the fiscal years 1961 and 1962 shows some decrease in the volume of naturalization case work. 175,446 applications to file petitions for naturalization were completed in the fiscal year 1962, compared with the 189,923 disposed of during the earlier period. However, the 1962 figure exceeded the 1960 volume by almost 7,247 applications. While the application completions during the fiscal year 1961 averaged somewhat more per month than in 1962, the number of such applications pending on June 30, 1961, totaled 32,121, as compared with 19,802 pending on the same date in 1962, an average three weeks' workload. This very considerable reduction in the number of applications pending exemplifies the efficiency in the processing operation.

127,808 persons were naturalized during the fiscal year 1962, compared with the 132,815 awarded citizenship status during the year before. However, despite these lower figures, 3,606 petitioners were denied citizenship in the space of the last fiscal year, which exceeds by 427 the number adversely acted upon throughout the fiscal year 1961. This increase represents the cumulative effect of the Service's stress upon the importance of quality in work performance, and the necessity for the most exhaustive inquiry in each naturalization case to the end that no unworthy person would receive the privilege of citizenship.

A decrease in adult naturalizations may be expected to find expression in a diminished number of foreign born children naturalized pursuant to petitions for naturalization filed in

their behalf by their citizen parents. Yet, in the year just ended, 16,480 children acquired nationality status in this manner, 236 more than during the fiscal year 1961. These results must be largely attributed to the Service program of promptly notifying newly naturalized persons by mail regarding their children's eligibility for naturalization.

Despite the fact that a declaration of intention to become a citizen has ceased to be a prerequisite for naturalization under the current statute, 15,120 such documents were filed during the fiscal year 1962. The continued high volume of activity in this area is surprising since legislation enacted during the fiscal year 1962 eliminated the declaration as a requirement for enlistment in the armed forces. Apparently, the need for the declaration as a preliminary to the issuance of various licenses under State statutes, or as a prerequisite for certain types of civilian employment or privileges, has been sufficient to sustain the demand for the document at a high numerical level.

Certificates of Citizenship. The conduct of administrative proceedings leading to the issuance of certificates of citizenship to persons who have derived or acquired United States nationality through the naturalization of a parent or parents, through marriage, or at birth abroad to citizen parents, was another major area of Service responsibility during the fiscal year

1962. Applications for this type of certificate completed in the fiscal year 1962 reached a total of 42,697, over 414 more than were disposed of throughout the preceding fiscal year.

Miscellaneous Nationality Applications. An important activity in the naturalization and citizenship field involves the processing and adjudication of miscellaneous nationality applications. The naturalization statute authorizes the administrative replacement of certificates of naturalization and citizenship, as well as declarations of intention that have been lost, mutilated, or destroyed. In case of name changes as a result of marriage or court order the Service is empowered to furnish new certificates. The Service also issues special certificates of naturalization to naturalized citizens to establish property rights or obtain other benefits abroad.

There are occasions on which applicants, through fraud or misrepresentation, will receive documents to which they are not entitled under law. Where evidence establishes that the holder has procured any such document by fraud or illegality, the Service institutes administrative proceedings leading to cancellation of the document. 424 certificates of citizenship were cancelled under these provisions throughout the fiscal year 1962.

Program Outlook

Naturalization Workload. Conditioned always by factors not susceptible to exact measurement, such as the many diverse circumstances which will determine whether and to what extent

ostensibly qualified aliens will fail to apply for naturalization promptly upon attaining eligibility, the relationship of immigration volume to naturalization potential, previously described herein, remains the most effective formula for predicting future naturalization workloads. The great bulk of aliens become qualified for naturalization under two sections of the law which require them to be permanent residents of the United States for five or three years after entry, as the case may be.

1,736,130 aliens entered the United States as immigrants during the period 1951 to 1957, and formed a major part of the naturalization potential for the period 1956 to 1962. Yet, during the latter period, only 910,766 aliens were naturalized or denied citizenship by the courts, and this figure includes aliens who were admitted to citizenship under special provisions of the statute which eliminate the necessity for compliance with the residence requirements. While a certain percentage of the inactive remainder of this large group of prospective candidates may be ineligible to proceed with naturalization for one reason or another, there still exists a vast residue of potentially qualified naturalization applicants who could conceivably apply for citizenship in the space of the next two fiscal years. The record for the fiscal year 1962 demonstrates that the enlarged potential for that year was not realized, and its residue will undoubtedly overflow into the naturalization stream during the next fiscal year. Past experience has demonstrated that aliens, in the absence of some special reason or stimulant inducing immediate action, delay their applications for six, seven, and even eight years beyond their entry.

Recent legislation expanded the scope of the statute to authorize naturalization based upon military service during the Korean hostilities, without regard to the extent of the serviceman's residence in the United States. Under this new enactment, an additional number of aliens may be expected to apply for citizenship during the fiscal year's 1963 and 1964. A more liberal interpretation by the courts of another statutory provision relating to the naturalization of aliens with three years' honorable service in the Armed Forces of the United States will also contribute to the naturalization volume in the years ahead. It is also anticipated that many of the Hungarian refugees who acquired a permanent residence retroactively in 1956 and 1957 under special legislation, will take such action during the fiscal years 1963 and 1964. Another very substantial source of naturalization casework will undoubtedly be the 56,670 aliens who acquired the status of lawful permanent residents through private legislation, or under adjustment, suspension, and other remedial statutory procedures during the 1958 to 1961 period.

Conservative estimates visualize the completion of 175,000 naturalization applications in the fiscal year 1963 and the increased total of 178,000 during the fiscal year 1964.

Based upon the experience in the fiscal year 1962, certificates of citizenship and miscellaneous nationality applications are expected to increase regardless of the increase in naturalization petitions.

NATURALIZATION

INCREASE--$38,400

A.	Statutory salary advancements		$33,400
B.	Passenger vehicle replacements (2)		3,700
	Vehicle	$3,400	
	Freight	300	
C.	Repairs and alterations, immigration stations		1,300
	Total		38,400

A. Statutory Salary Advancements--Increase $33,400

B. Passenger Vehicle Replacements--Increase $ 3,700

C. Repairs and Alterations, Immigration Stations--Increase $1,300

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 multi-activity items. The increase referred to here represents the applicable portions chargeable to the Naturalization activity.

FORCE AND WORKLOAD
BORDER PATROL

	ACTUAL			ESTIMATE	
	1960	1961	1962	1963	1964
Positions					
Supervisory	7	7	7	7	7
Officers	1,505	1,698	1,680	1,644	1,522
Clerical	158	163	166	163	163
Custodial	83	80	80	80	80
Central Office	20	21	21	21	21
Total permanent positions	1,773	1,969	1,954	1,915	1,793
Average permanent employees	1,636	1,752	1,802	1,783	1,639
Average number of all employees	1,644	1,761	1,811	1,791	1,647
Workload					
Persons apprehended	29,881	30,209	30,686	34,000	35,000
Smugglers of aliens	(330)	(284)	(349)	(400)	(450)
Deportable aliens	(28,966)	(29,384)	(29,897)	(33,000)	(34,000)
Other law violators	(1,089)	(1,083)	(789)	(800)	(850)
Seizures:					
Automobiles and trucks	51	71(a)	85	90	90
Other conveyances	9	17	33	35	35
Value of all seizures	$415,619	$353,181	$582,381	$400,000	$400,000

(a) Reflects change in reporting procedures.

4. BORDER PATROL

Appropriation base	$18,443,500
Budget estimate	18,912,700
Increase in the budget estimate over the appropriation base	469,200

Obligations under this activity include salaries and other expenses for 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. A total of 30,686 persons, consisting of deportable aliens, smugglers of aliens, and violators of other laws, were apprehended by the Border Patrol during the fiscal year 1962. In the course of regular patrol operations, violators of other laws who are encountered are turned over to the appropriate law enforcement agencies having jurisdiction. Continued effectiveness of firmly-established programs directed toward maintaining control and preventing illegal entries across the land borders was manifest in the fact that unlawful entries were held to a minimum and the fact that the major portion of those aliens who succeeded in effecting entry were apprehended immediately. A total of 14,749 deportable aliens were apprehended who entered without inspection during the fiscal year 1962, as compared to 14,506 during the previous fiscal

year. Access by jeep to heretofore inaccessible areas, now possible after clearing narrow strips of land overgrown with heavy brush, cane, and desert growth adjacent to borders, has tended to discourage surreptitious entry in some areas. The extension of such trails paralleling borders to facilitate patrol, and the improvement of equipment for maintaining these trails in order to detect the tracks of illegal entrants, has brought about expeditious apprehension of deportable aliens who would have otherwise proceeded to the interior. A total of 12,761 deportable aliens who entered without inspection were taken into custody in the immediate border area after effecting illegal entry. However, conditions in other areas along the Mexican border have increased illegal entry attempts.

Factors which in the past have served as an incentive for the alien to attempt illegal entry into the United States have not changed appreciably. The differences in the economies of the United States and the other nations that lie to the south, extensive drought conditions throughout the agricultural areas in northern and central Mexico, and available employment in farming areas in the United States contribute to this situation. As successful illegal entry across the land borders becomes more difficult, aliens resort to other means to gain entry into the United States to find gainful employment. As a result, there has been an increase in the number of nonimmigrants apprehended for violating the conditions of their admission, principally by accepting employment. This class of aliens totaled 12,969, and represents 43% of all

deportable aliens arrested by Border Patrol officers.

The improvement and construction of new highways paralleling and leading from the borders have caused a considerable increase in the volume of traffic, which has added to the complexities of traffic-checking problems. Continued surveillance of such highways and inspection at public transportation terminals led, in part, to the apprehension of 349 smugglers of aliens and 545 smuggled aliens. 4,000 aliens with criminal records were apprehended last year compared to 3,899 in the fiscal year 1961.

Aircraft Hijacking. In August 1961, Service officers were assigned to ride on scheduled domestic airline flights as a precautionary measure against hijacking of aircraft. During the year, officers rode a total of 1,724,396 miles and no incidents were encountered during this time. This action stemmed from a directive issued on August 10, 1961, by the President after a Continental Airlines jet airplane was hijacked by two armed men, who ordered the plane crew to fly to Cuba. The plane was first permitted to land at El Paso, Texas, and, except for hostages, the passengers were permitted to disembark. After the plane was refueled and prepared for take-off, patrol inspectors and other law enforcement officers succeeded in disabling the plane and the hijackers were taken into custody.

Northern Border Operations. Aliens apprehended along the Canadian border totaled 4,666 as compared to 4,379 for the fiscal year 1961. Increased border pressures in the Northeast Region

which reflected higher apprehension statistics in the fiscal year 1961 continued into the past fiscal year. Between July 1, 1961, and June 30, 1962, 20,581 aliens, or 69% of those arrested, were found employed or seeking employment.

In addition to those alien crewmen who desert in the United States, crewmen deserting in Canada also pose an illegal entry problem. The Great Lakes shipping season normally closes on December 1. During the 1961 shipping season, 263 ocean-going vessels were boarded by officers from Massena, New York, prior to departing foreign, and the departure of 1,075 crewmen who had been refused privileges in the Great Lakes ports was verified. This is an increase from 157 ships boarded and 657 crewmen checked out during the previous season. A number of these crewmen known to have deserted in Canada,45 of 368, were later apprehended in the United States after effecting illegal entry and were placed under deportation proceedings.

During January, February, and March, 1962, 40 aliens were apprehended while attempting entry across the ice in the St. Lawrence Seaway in the vicinity of Cape Vincent, New York.

For more than a year, officers inquired into the activities of Reverend Albert T. Jordan who obtained Canadian passports and birth certificates for natives of the British West Indies. On May 23, 1962, Jordan appeared at Rouses Point, New York, and was taken into custody. On

June 22, 1962, he was tried and found guilty by the court on four separate charges of smuggling aliens into the United States, and was sentenced on June 29, 1962, to serve two years. Twenty-seven aliens have been apprehended who gained entry through the use of fraudulent documents obtained by Jordan.

Mexican Border. Statistics for persons apprehended indicate that until the end of the fiscal year 1962 a relatively static situation existed in the southwestern United States during the past three years. A total of 23,856 deportable aliens were apprehended in the fiscal year 1962.

Operations designed to control the illegal entries were under continuous study. There are now over 1,100 miles of "drag trails" (land clearings paralleling the borders designed to disclose the markings of foot movement), varying in width from eight to twenty feet, maintained in such a manner as to provide a light, dusty surface which will readily show the footprints or tracks of aliens crossing through the area. These "drag trails" are most essential in sparsely-populated areas. Officers on patrol regularly examine the trails for footprints of aliens entering illegally, and tracks found are followed until the suspects are located.

Observation aircraft continue to be very effective tools in the enforcement program. In addition to directing ground forces to groups of persons working in agricultural areas where illegal entrants have found employment, pilots in these aircraft patrolled long stretches of the border at low altitudes, searching for aliens in remote areas and locating aliens who had effected

illegal entry and who were continuing toward the interior. Also, they reported to ground crews the location of aliens observed who appeared to be contemplating illegal entry. In some areas, observation aircraft were able to locate tracks or footprints of aliens traveling through desolate areas, and directed ground crews in radio-equipped jeeps to intercept them. Last year the light observation aircraft fleet assisted in the apprehension of 1,690 deportable aliens.

During the fiscal year 1962, 317 smugglers of aliens on the Mexican border were apprehended, reflecting an increase of 25%. Smugglers have been forced to revise their procedures because of firm border control. On September 10, 1961, two smugglers were apprehended near Alamogordo, New Mexico, hauling 27 aliens in a truck and automobile. They were being transported to Colorado to work illegally when apprehended. The smugglers were charged with inducing aliens to enter illegally and with unlawful transportation. In several cases smuggled aliens were concealed under the hoods of automobiles. In one such case, in April 1962, near Indio, California, the engine caught fire and the alien died from severe burns.

Program Outlook

Gulf and Florida Coasts. While the operation designed to prevent unauthorized departure to Cuba by private aircraft is being continued throughout the year, a number of stations were deactivated in order to concentrate enforcement efforts in the southern part of Florida. As indicated in that part of these justifications relating to detention and deportation, it was necessary to eliminate 33 border patrol positions to staff the Cuban processing program in Florida.

A substantial savings in Border Patrol manpower on the Gulf and Florida Coasts is planned. This is discussed fully in the increase section relating to this activity.

Canadian Border - Great Lakes Area. Crewmen desertions from ocean-going vessels in Great Lakes ports continue to increase. Some shifting of forces may be necessary to combat expected increases in smuggling activities in the Rouses Point, New York, area because of a stiffer Canadian attitude toward crewmen desertions, many of whom seek sanctuary in Montreal and later attempt to enter unlawfully. Economic conditions have led to a devaluation of the Canadian dollar at a time when job opportunities in construction and agriculture in northwestern United States increases. As a result, illegal border crossings are expected to rise.

Mexican Border Area. Beginning in March 1962, and for three months thereafter, alien apprehensions climbed steadily; apprehensions during that period exceeded last year's totals by approximately 23%. During the last six months of the fiscal year 1962, surreptitious entries across the Rio Grande River in the five Border Patrol Sectors west of El Paso, Texas, increased 31% over the same period in the fiscal year 1961. During July 1962, apprehensions in the McAllen, Texas, Sector averaged 31 per day, and apprehensions in the Port Isabel, Texas, Sector averaged 38 per day.

Many factors have contributed to this situation. The serious drought in the agricultural areas of northern and central Mexico has resulted in widespread unemployment. During May, many residents of the lower Rio Grande Valley of Texas left to work in the northern harvests, thereby creating a labor vacuum. Shortages in labor were reported in Colorado, New Mexico, and in several areas in Texas. In Arizona, New Mexico, and Texas there has been resistance by farmers and associations to the use of braceros because of minimum wage requirements, reduction in the number to be certified, length of admission, and types of work they are permitted to perform. This combination of circumstances is causing increased pressure and is expected to continue for some time, and will result in more surreptitious entries and alien smuggling.

New roads from the interior to the border and near the border continue to be built in Mexico and old ones improved. Also, new highways on this side of the border are continually being constructed and improved, thereby facilitating the inland movement of unlawful aliens. As a result, officers will be required to guard the border and to check routes of travel in areas previously considered to be of little consequence.

BORDER PATROL
INCREASE -- $469,200

A.	Passenger vehicle replacements (124 sedans, 2 buses):		
	Vehicles	$241,800	
	Freight	18,200	$260,000
B.	Statutory salary advancements		129,400
C.	Repairs and alterations, immigration stations		108,400
D.	Emergency power generators		152,900
E.	Truck replacements (125):		
	Vehicles	$352,500	
	Freight	25,000	377,500
F.	Aircraft replacements (8)		112,000
G.	Radio system renewal		210,000
H.	Border Patrol Stations		247,500
I.	Tractors (5)		
	Tractors	$ 22,000	
	Freight	500	22,500
J.	Reduction in Border Patrol force--Decrease		-1,151,000
	Total		469,200

A. Passenger Vehicle Replacements -- Increase $260,000

B. Statutory Salary Advancements -- Increase $129,400

C. Repairs and Alterations, Immigration Stations -- Increase $108,400

D. Emergency Power Generators -- Increase $152,900

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.

E. Truck Replacements (125)--Increase $377,500

Operations of the Border Patrol require the support of a fleet of trucks. The mileage record of the fleet as of June 30, 1963, will be approximately as follows:

Model	Age-Years	No. of Vehicles	Average Mileage
1963	1	96	5,000
1962	2	98	25,000
1961	3	147	50,000
1960	4	120	55,000
1959	5	54	65,000

Funds are requested for 125 replacements out of the estimated 195 which will fall within General Services Administration replacement schedules during 1963. The net cost of the 125 replacements is computed as follows:

	125 Trucks	
	Unit	Amount
Vehicles, gross	$2,930	$366,300
Sale of old vehicle	- 110	-13,800
Vehicles, net	2,820	352,500
Freight	200	25,000
Total	3,020	377,500

F. Aircraft Replacements (8)--Increase $112,000

Forty light aircraft and six transport aircraft are operated by the Border Patrol in conjunction with programs designed to guard and control the borders. All of the transport aircraft and fifteen of the light aircraft were obtained from the military services as surplus at no cost to the Service. Depending upon the location to which assigned, these aircraft are utilized for a variety of diversified functions. Those assigned to stations on the Mexican and Canadian borders are used as 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 simultaneously gives radio directions to bring the officers into a position to intercept. The aircraft assigned to the Florida and Gulf of Mexico coast areas have been used to check airports to detect illegal entries by aircraft and to prevent the departure of private aircraft to and over Cuba. 14 T-34 B's obtained from the military service have been used for this purpose. They are not suitable for border observation work, principally because the wing is situated low on the fuselage, and they will not be required during the fiscal year 1964 in view of the reduction in Border Patrol force as explained in paragraph J on the

following pages. 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, and the two DeHaviland Beaver aircraft are of a type which will not require normal replacement for a number of years. A replacement standard of a maximum of four 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 an 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 eight observation aircraft will be required during the fiscal year 1964 as shown by the following table of observation aircraft in use on June 30, 1963.

No. of planes	Years Age	Replace in F.Y. 1964
5	1	-
5	2	-
4	3	-
8	4	8
22*		8

* Does not include two DeHaviland Beavers, one Cessna 310D, one Beechcraft C-45, and 14 T-34 B's, not to be replaced.

The aircraft to be replaced are as follows:

IDENTIFICATION NUMBER	MAKE	TO BE REPLACED BY
N3180Z	Piper	Piper Super Cub
N3092Z	Piper	Piper Super Cub
N3089Z	Piper	Piper Super Cub
N3099Z	Piper	Piper Super Cub
N3098Z	Piper	Piper Super Cub
N3085Z	Piper	Piper Super Cub
N2994Z	Piper	Piper Super Cub
N9111T	Cessna 180	Piper Super Cub

The Piper Super Cub, 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 $112,000.

G. Radio System Renewal--Increase $210,000

It is planned to extend the UHF Multiplex System in the Miami, New Orleans and Grand Forks Sectors. Results from the partial implementation of UHF repeaters in Miami were encouraging enough to point to replacing the remaining VHF repeaters with UHF repeaters.

New UHF multiplex repeaters are planned for Tallahassee, the Lake Charles-Lafayette area, and between Corpus Christi and Galveston. These additions will provide mobile service throughout the entire Gulf Coast and the Atlantic Coast of Florida.

Nominal quantities of vehicular sets, hand-carried portables and small FM base stations will be needed for replacement of obsolete or damaged equipment.

Additional test equipment is planned in order that the sectors may better maintain present equipment, and obtain better utilization thereof.

Single side band receiver adaptors and a single side band transmitter are required to replace obsolete AM equipment.

Additional lightweight FM sets are needed to continue replacement of automotive types in small aircraft.

"Narrow band kits" are required to convert FM equipment to comply with the standards set by the International Telecommunication Convention at Berne, Switzerland. The conversion will reduce the band width of the FM signal. These kits will convert about one-third of our equipment.

A summarized equipment listing follows, which is required for the above projects. A chart showing equipment location assignments is attached.

Radio System Renewal

Location	UHF Base Station	Repeater UHF NB 2 Unit	Repeater UHF WB 2 Unit	Repeater UHF WB 4 Unit	Tower	Duplexer UHF	Duplexer VHF	Antenna UHF	Lines RF	Multiplex	Total
Grand Forks	-	2	-	1	-	4	5	4	500'	-	13,900
Miami	-	-	6	1	1	8	19	8	1,000'	-	44,400
New Orleans	-	-	4	1	2	5	8	5	1,300'	-	36,200
Pt. Isabel	1	-	3	4	2	11	11	12	2,400'	2	69,100
Quantity	1	2	13	7	5	28	43	29	5,200'	2	
Unit Cost	$12,000	1,500	3,000	5,000	5,000	500	500	200	1.30/ft.	800	
Total Cost	$12,000	3,000	39,000	35,000	25,000	14,000	21,500	5,800	6,700	1,600	163,600

	Aircraft VHF-FM Sets	Narrow Band Kits	FM Mobile Sets	VHF Base Station Sets	Hand-Carried Portables	Test Equipment	SSB Receiver Adaptors	SSB Transmitter	
Northeast Region	-	100	4	2	2	3	2	-	7,500
Northwest Region	-	100	4	2	2	3	3	-	7,800
Southeast Region	-	-	4	2	2	2	2	-	5,800
Southwest Region	5	300	8	4	4	5	4	1	25,300
Quantity	5	500	20	10	10	13	11	1	
Unit Cost	$1,000	10	500	400	500	700	300	5,000	
Total Cost	$5,000	5,000	10,000	4,000	5,000	9,100	3,300	5,000	46,400
Grand Total									$210,000

H. Border Patrol Stations--Increase $247,500

Some border patrol officers have been housed for years in most inadequate quarters. There are 22 border patrol stations in the long range program scheduled for construction under authority available to the Immigration and Naturalization Service (The Act of June 26, 1930, as amended). A program has been adopted for accomplishment of seven projects in the fiscal year 1964; five in 1965; five in 1966, and five in 1967. It is planned to construct stations at a cost of $40,000 each at Trenton, Michigan, Sanderson, Texas, Fort Hancock, Texas, Campo, California, Shelby, Montana, Fort Stockton, Texas, plus a garage at Comstock, Texas, at a cost of $7,500 during the fiscal year 1964.

The 1964 border patrol station construction program is summarized hereunder.

BORDER PATROL STATIONS (1964)

Trenton, Michigan

The present station is located in leased space consisting of one small office. There are no provisions for the interrogation of suspects or the temporary detention of aliens. These inadequate quarters have been tolerated only because no other suitable space is available. Five 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.

Sanderson, Texas

There are no provisions for the interrogation of suspects or the temporary detention of aliens in the present station which is located in leased space consisting of one small office. No other suitable space is available. Five officers are assigned to the station. A new station and a garage having the required minimum facilities, will be constructed.

Fort Hancock, Texas

The present station is located in unsatisfactory leased space. There are no provisions for the interrogation of suspects or the temporary detention of aliens. These inadequate quarters have been tolerated only because no other suitable space is available. Four officers are assigned to the station. It is proposed to construct a new station having the required minimum facilities, including a garage.

Campo, California

Two rooms of a temporary frame building acquired from an abandoned World War II military base house the present station. These inadequate quarters have been tolerated only because no other suitable space is available. Eight officers are assigned to the station. Construction of a new station having the required minimum facilities, including a garage is proposed.

Shelby, Montana

The present station is located in unsatisfactory leased space which has been tolerated only because no other suitable quarters are available. Four officers are assigned to the station. A new station having the required facilities, including an attached garage will be constructed.

Fort Stockton, Texas

The present station is located in the courthouse and is inaccessible to the public on weekends. There is no provision for the temporary detention of aliens. No other suitable space is available. Five officers are assigned to the station. A new station and a garage, having the required minimum facilities, will be constructed.

Comstock, Texas

At the time that a new station was constructed at this location in 1960, it was necessary to delete the garage from the project because of cost limitations then in effect. It is proposed to construct a garage, having the minimum facilities, to complete the project.

I. Tractors (5) --Increase $22,500

The surface of the ground along much of the border is such that it may be walked across without any sign of passage. Many aliens enter the United States illegally through such areas, usually under the cover of darkness. In order to combat this problem, sign-cutting trails have been established at strategic locations parallel to and near the border to reflect discernable evidence of such crossings. These trails which are of varying lengths are wider than a man can jump. A thin layer of the top soil is pulverized to provide a powdery surface which will reflect any sign of having been crossed. In order to be effective for sign-cutting purposes, and to take full advantage of the use of observation planes, the surfaces must be maintained and smoothed in this condition at all times. The amount of maintenance required is dependent to a large degree upon the type of soil and the climatic conditions which exist in the area in which the trail is located. In the past, maintenance has been accomplished by make-shift drag-type implements pulled by jeeps or other vehicles with comparative low horse-power. Besides being time-consuming to construct and maintain, these implements have been found unsatisfactory to maintain the surface properly. During the past two years, field tests at various locations with rented equipment have reflected that farm-type tractors equipped with accessories designed to break the ground and cultivate the soil are both effective and economical in establishing and maintaining sign-cutting trails. In addition to having sufficient horse-power to negotiate diffi-

cult terrain while pulling the accessory appropriate to the immediate need, such vehicles may be operated up to 15 M.P.H. while proceeding to and from the location of the trail. Of the various types of equipment tested, the medium diesel tractor constructed to raise and lower accessories hydraulically was found most suitable. The accessories deemed necessary at the various locations where tractors are desired consist of the offset disc harrow, the multipurpose blade, the tine tiller, and the scarifier scraper. Five tractors with necessary accessories are requested, one each for the McAllen, Laredo, Del Rio, Marfa, Texas, and Chula Vista, California, Sector. The tractors will cost $4,400 each, including accessories. Delivery costs of $100 bring the net cost to $4,500 each; thus, the cost of 5 tractors will be $22,500.

J. Reduction in Border Patrol Force--Decrease $1,151,000

On November 2, 1959, the Service embarked upon a new operation in the Florida and adjacent areas in connection with the Caribbean situation. Pursuant to a request on that date from the Secretary of State, under authority of Presidential Proclamation No. 3004, the Attorney General instituted the enforcement of departure control with respect to departure from the United States of persons in private aircraft destined to or over Cuba. To accomplish these and related duties 155 additional officers were assigned to supplement the regular force of 46 officers in that area. It is now considered possible to fulfill our obligations under this program with a reduction of 155 Patrol Inspectors. The responsibilities will be assumed by the regular force, supplemented, as required, by the force of 26 Investigators and 46 Immigrant Inspectors. It has been necessary, however, to utilize 33 of the positions saved for processing Cuban refugees in Florida, as explained under the Detention and Deportation Section of these justifications.

This budget reflects a saving of $1,309,700 for personal services and benefits, and related items for the 155 border patrol positions abolished, offset by $158,700, the cost of the establishment of 33 detention and deportation positions in personal services and benefits, and related items. This gives a net saving of $1,151,000; a tabulation of which follows:

	No.	Grade	Annual Salary	Full Year	
Reduction in Border Patrol Force					
Personal Services and Benefits:					
Airplane Pilots	11	GS-11	8,050	$ 88,600	
Patrol Inspectors	144	GS-8	6,094	877,500	
Sub-total	155			966,100	
Allowance for uniforms				15,500	
Government contribution to health insurance				12,400	
Government contribution to life insurance				3,600	
Government contribution to retirement				63,100	
Premium compensation				142,600	
Total Personal Services and Benefits				1,203,300	
Other Expenses:					
Travel for 144 officers @ $323 per man year				46,500	
Communication services 155 x $126 per man year				19,500	
Office supplies 155 x $48 per man year				7,400	
Maintenance and operation of planes				33,000	
Total					$1,309,700
Opa Locka Project					
Personal Services and Benefits:					
Immigrant Inspector	1	GS-9	6,677	6,677	
Detention Officer	1	GS-5	4,576	4,576	
Detention Officer	25	GS-4	4,118	102,950	
Clerk	2	GS-3	3,827	7,654	
Clerk	1	GS-2	3,578	3,578	
Custodial	3			12,865	
Sub-total	33			138,300	
Uniform allowance				2,700	
Government contribution to health insurance				2,400	
Government contribution to life insurance				500	
Government contribution to retirement				9,000	
Total Personal Services and Benefits				14,600	
Communication services and benefits 33 x $126				4,200	
Office supplies 33 x $48				1,600	
Total (Offset)					- 158,700
Net Savings					1,151,000

FORCE AND WORKLOAD
INVESTIGATING ALIENS' STATUS

Positions	ACTUAL 1960	1961	1962	ESTIMATE 1963	1964
Supervisory	54	52	54	56	56
Officers	744	751	761	773	773
Clerical	351	339	336	337	337
Detention Officer	1	-	-	-	-
Custodial	2	1	1	1	1
Central Office	30	30	31	31	31
Total permanent positions	1,182	1,173	1,183	1,198	1,198
Average permanent employees	1,133	1,133	1,133	1,115	1,112
Average number of all employees	1,136	1,140	1,143	1,123	1,120
Workload - Investigations					
Subversive (Total)	2,399	3,468	4,932	5,325	5,325
Revocation	304	137	259	250	250
Deportation	851	1,057	1,516	1,600	1,600
Applicant for admission	929	1,645	1,505	1,675	1,675
Naturalization	315	629	1,652	1,800	1,800
Criminal, immoral, and narcotic (Total)	5,990	6,785	6,751	7,350	7,350
Revocation	131	63	75	100	100
Deportation	2,903	3,268	3,106	3,100	3,100
Applicant for admission	2,956	3,454	3,570	3,550	3,550
Naturalization	-(a)	-(a)		600	600
General (Total)	34,797	38,680	32,057	41,165	40,465
Revocation	161	176	223	215	215
Naturalization	2,015	2,628	3,152	2,625	2,625
Other naturalization and citizenship	562	497	563	525	525
Document fraud	2,487	2,741	3,931	3,810	3,810
Deportation	13,397	12,190	10,397	19,000	19,000
Applicant for admission	4,483	9,545	4,861	4,155	4,155
Smuggling	328	357	277	600	600
Investigation looking toward prosecution	975	801	805	1,000	1,000
Private bill	1,383	2,249	1,499	2,100	1,400
Parole and abscondees	3,630	3,549	3,902	4,700	4,700
Character investigations (other than naturalization)	1,316	1,503	1,236	1,225	1,225
Miscellaneous	4,060	2,444	1,211	1,210	1,210
Search (Total)	16,894(b)	7,667	6,896(b)	9,600(b)	9,600
GRAND TOTAL	60,080	56,600	50,636(c)	63,440	62,740

(a) Reporting system revised.
(b) Apparent decrease from F.Y. 1960 results from revision of case definition providing for unit count only where alien is located without lead and where alien is deportable and increase in F.Y. 1963 results from revised reporting system effective July 1, 1962.
(c) Apparent decrease in 1962 and 1963 estimate results from revision of reporting requirements regarding auxiliary investigations.

5. INVESTIGATING ALIENS' STATUS

Appropriation base	$11,938,900
Budget estimate	12,192,200
Increase in the budget estimate over the appropriation base	253,300

Obligations under this activity include salaries and other expenses for all work relating to investigations performed by the Service. 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

Notwithstanding emphasis placed on the priority types of investigations, a relatively current workload was maintained. 10,317 investigations were pending on June 30, 1961, and 11,142 were pending on June 30, 1962. 50,636 investigations were completed during the fiscal year 1962.

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On April 12, 1962, 16 Investigator positions were eliminated in order to establish a like number of trial attorney positions to perform examining officer work under the supervision of the General Counsel.

The administrative supervision of the Service Representatives before the Board of Immigration Appeals was transferred on January 29, 1962, from the Assistant Commissioner, Investigations, to the office of General Counsel.

Anti-Crime Operations. A major target of the Service investigative program is the alien and naturalized citizen who has become a part of the criminal, immoral, narcotic or racketeering element. Exclusion and deportation proceedings are utilized to either bar entry or expel the aliens, and the denaturalization process is directed at the naturalized citizens involved. 6,751 investigations of this type were completed during the year, the end result of which is reflected in the deportation during the year of 682 aliens of these elements.

The racketeer who directs the criminal activities of others continues to be the prime target of this program. By his removal, the interests of the lesser criminals associated with him are nullified. However, in the denaturalization and deportation processes, expeditious enforcement is not always possible. Denaturalization has been and continues to be difficult in face of the stringent requirements by the courts.

Highlighting the Service's anti-crime and racketeering program were the following deportations: Salvatore Maneri, international narcotic figure; Michele Abati, former member of Detroit's Purple Gang; Elizabeth Spedding, leading madam in New York; and Simone Scozzari, delegate to the Apalachin "Crime Convention". Simone Scozzari's deportation on June 13, 1962, is discussed under that part of these justifications relating to detention and deportation.

Salvatore Maneri, an international figure in the sale and smuggling of illicit narcotics, fled to Spain while under a warrant of deportation. He had just completed serving a six months sentence for illegally returning to the United States after his third deportation and was at liberty under a $10,000 court bond pending trial for a narcotics conspiracy. His immigration appearance bond and the court bond were breached in September 1961. On February 2, 1962 he was paroled into the United States, upon extradition from Spain, to stand trial on the narcotics charge. He is detained, in default of $300,000 court bond, while awaiting trial.

Elizabeth Spedding, alias Countess Maresca, was deported to Canada on April 16, 1962, after serving a two year sentence for violation of the White Slave Traffic Act. Allegedly one of the biggest operators in the call girl racket, she had dispatched girls from New York on assignment in such distant cities as Honolulu, Caracas and Miami. Six months later Service investigators arrested her in New York City where she was operating under the name Mrs. L. Wray. Ordered deported again, she will first serve out a total sentence of nine months for illegal reentry and violation of probation.

In addition to the actions directed against major racketeers, efforts were also directed against criminals of lesser stature.

Canadian and Mexican Border Anti-Crime Program. Of major importance to the Service's anti-crime operations is the identification and determination of the whereabouts and movements of foreign criminals residing in adjacent countries. Close liaison established between Service investigators and responsible law enforcement officials on both sides of the border has aided in preventing entries of inadmissible, undesirable aliens, and in locating many of those who clandestinely entered the United States.

Upon receipt of information indicating that criminals residing in contiguous territory may attempt entry, lookouts are posted to prevent entry. During the past year, lookouts were posted on 1,543 of these criminal aliens.

Anti-Subversive Operations. Service contributions to national security through anti-subversive operations continued both in the exclusion and deportation of individual subversives, and in the development and dissemination of intelligence information of value to the Service and other security agencies concerning the status of subversives.

A long and difficult investigation was successfully completed on May 14, 1962, with the apprehension of Nydia Luthy at Findlay, Ohio. A native of the Ukraine, she had been a member of the National Committee of the Young Communist League in the Detroit area during the 1930's. In 1937 and again in 1947, she had obtained fraudulent passports, and in 1950 she was sentenced to two years probation. She was deported in 1951 on subversive and other charges, and in 1959

excluded at Laredo, Texas. In 1960, the investigation, reopened upon receipt of information that she was again in the United States, led to her apprehension at which time she was holding an important position as a college professor and again masquerading as a United States citizen. Prosecution and deportation proceedings were instituted, and on August 2, 1962, the Board of Immigration Appeals dismissed her appeal from the deportation order entered by a special inquiry officer.

On March 27, 1962, deportation proceedings were instituted on subversive and other grounds at Philadelphia, Pennsylvania, against Frank Fisher, alias Jankel Taib, a native of Russia who, since 1932, had been an active Communist while claiming birth in the United States. His appeal from the deportation order is under consideration by the Board of Immigration Appeals.

Canadian and Mexican Border Anti-Subversive Program. This activity involves obtaining, correlating and distributing information concerning subversive individuals and movements in foreign contiguous territory, to preclude subversive aliens from entering the United States.

Valuable information of an intelligence nature was developed and disseminated within the Service and to other agencies concerning the status and activities of the Communist Party of Mexico (PCM) and its main affiliated or front organizations, the National Liberation Movement (MLN), and the Popular Socialist Party (PPS). Evidence of a reliable but confidential nature was compiled on the PPS showing that it intends to establish a totalitarian dictatorship of the proletariat in Mexico and advocates the international and governmental doctrines of world communism. Thus, it has been found to be within the proscription of the Immigration and Nation-

ality Act and its members are excludable from the United States.

Among those denied admission to the United States on the basis of information gathered under this program were the following:

Miguel Eguiluz-Arriaga, a Mexicali, Mexico, attorney and government employee.
Gildardo Bueno-Ruiz, an employee of Compania Minera de Cananea at Cananea, Sonora, Mexico.
Manuel Ruiz Sanchez, a textile worker at Guadalajara, Jalisco, Mexico.
Alejandrino Neri-Bernal, a Federal school teacher at Tijuana, Baja California, Mexico.
Eustolio Del Rio-Tapia, a writer for the publication "Diario del Yaqui" of Ciudad Obregon, Sonora, Mexico.
Valentin Villanueva Pena, conductor on the passenger train operating between Monterrey and the border city of Nuevo Laredo, Mexico.

Also under this program Alexander Wilson Mowers and Chow Mo-Him, having records of subversive activity in Canada, were apprehended in the United States and returned to Canada.

4,932 subversive investigations were completed during the year. These investigations identified and developed sufficient evidence of subversive activities to exclude from the United States a number of persons of the subversive class should they attempt to enter, and 13 such aliens were actually denied admission to the United States.

Caribbean Investigation Program. Under this program, which is centered in the Miami office, information is collated and disseminated concerning natives, citizens or denizens of the Caribbean area, Central and South America, who are known or believed to be of subversive or revolutionary background or to have engaged in such activity. All such information secured or received by the Service is funneled to Miami, where it is carefully reviewed, collated and indexed.

The termination of the Trujillo dictatorship in the Dominican Republic resulted in a flurry of activity among Dominican refugees residing in the United States, mainly in the New York area. Many of these persons returned to their homeland when it appeared a stable non-totalitarian government had been established there.

Several Cuban aliens of the subversive class departed from the United States and returned to Cuba during the pendency of Service investigation aimed at their expulsion. These included Jose Manuel Sanchez-Diaz, who had been National Coordinator of Castro's July 26th Movement in the United States, and Efrain Trujillo-Fernandez, who had been National Treasurer of that organization. Celestino Fernandez Suarez, native of Cuba, was exlcuded from the United States on May 16, 1962, after extensive Service investigation established he was not a bona fide defector from the Communist Party and the Castro regime as he had claimed. Investigation disclosed his long record as a Communist functionary including training in the Soviet Union during the 1930's, helping to found the Communist Party of Cuba and serving as a leader of it from 1934 to 1945. More recently, he attended the World Youth Festival in Vienna, Austria, as a Cuban delegate and visited in Moscow, USSR, with his son, an officer in the Soviet Army.

242,209 record checks were made from the Caribbean Investigations Coordination Program Index during the year. Also during the fiscal year 1962, 79 investigations of suspected subversive foreign agents from Caribbean area countries were completed.

Immigration Frauds. In the past year the Service was successful in a number of sham marriage cases, including that of Adria Gonzalez, a native-born citizen of the United States who, together with 11 others, was indicted by the Federal grand jury for the Southern District of New York for arranging sham marriages between Spanish and Portuguese aliens and American women so that the aliens could acquire nonquota status as husbands of United States citizens. The brides were paid from $100 to $500 to enter into the marriage agreement. Gonzalez was convicted and sentenced to 7 years imprisonment; 3 of the 11 received 5 years; 3 have fled to Spain; trial of the others is pending.

John William Shaw, a citizen of the United States, was convicted in El Paso, Texas, on November 4, 1961, and sentenced to serve four months for selling three alien registration receipt cards for $65 each to residents of Mexico.

Jose Cabigting Miranda, a Stockton, California, realtor and insurance agent, was indicted by a Federal grand jury on July 24, 1961, for furnishing forged and fraudulent employment assurances to Mexican nationals for use in applying for visas to enter this country. Miranda and others involved with him received aggregate sentences of 67½ years and $8,600 in fines were imposed.

Search Investigation Operations. Search investigations are conducted by investigators working alone or in teams in areas where experience indicates aliens who have entered surreptitiously or are seeking to remain permanently after admission for temporary stay are apt to be found. Careful planning and the utilization of informants contributed to the success achieved in this area of Service operations. During the year, 6,896 deportable aliens who entered the United States surreptitiously or failed to depart pursuant to the conditions of their admission were located.

Program Outlook

Top Priority Program - Anti-Crime Operations. Anti-crime operations will be coordinated under the Attorney General's drive on organized crime. Increased efforts will be made to develop evidence which will lead to the deportation of alien criminals and the denaturalization of naturalized citizens engaged in criminal activities. Liaison with cooperating Federal, state, and city agencies will be extended. Information developed will be expeditiously passed to interested law enforcement officials.

Photographs, biographical and descriptive data relating to deported criminals will be furnished to the overseas office closest to the deportee's destination for use in ascertaining their activities, associates, and movements, so as to preclude surreptitious return to the United States.

Investigators assigned to the Canadian and Mexican border programs will concentrate on obtaining all available information relating to notorious criminals who are active in major

cities of these two countries. Efforts will be made to obtain photographs, descriptions, and criminal records through reliable sources. This information will be included in Service lookout books maintained at all border points of entry and will aid in the prompt exclusion of these undesirable aliens.

Top Priority Program - Anti-Subversive Operations. The Service will continue to stress the strict enforcement of those sections of the Immigration and Nationality Act having a bearing on national security. Investigative techniques and procedures which have, in the past, frustrated attempts of alien subversive elements to enter the United States from neighboring countries or to live here, will be further strengthened. Investigations of foreign born persons of the subversive class found living in the United States will also be pressed.

The experience gained in recent years while investigating thousands of Hungarian, Cuban, Dominican, and other refugees from the persecution inflicted upon them by tyrannical despots in their homeland to weed out from their ranks all subversive infiltrators will be utilized in the handling of any future influx of such refugees from Cuba, and increased numbers from Red China. Existing valuable investigative tools such as the Foreign Address and Occupation Index, the Uniform Informant and Contact Control System, and the Caribbean Investigations Coordination Program Index will be fully exploited and expanded.

INVESTIGATING ALIENS' STATUS

INCREASE-- $253,300

A.	Statutory salary advancements		$ 90,900
B.	Passenger vehicle replacements (85)		158,900
	Vehicle	$147,000	
	Freight	11,900	
C.	Repairs and alterations, immigration stations		3,500
	Total		253,300

A. Statutory Salary Advancements--Increase $ 90,900

B. Passenger Vehicle Replacements--Increase $158,900

C. Repairs and Alterations, Immigration Stations--Increase $3,500

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	
	1960	1961	1962	1963	1964
Positions					
Supervisory	11	15	15	15	15
Officers	18	17	25	29	29
Clerical	632	585	599	613	613
Detention officers	4	1	2	2	2
Custodial	2	2	2	2	2
Central Office	126	157	164	194	194
Total permanent positions	793	777	807	855	855
Average permanent employees	704	720	760	801	796
Average number of all employees	765	836	862	838	867
Workload					
Inquiries and callers at information desks	3,139,250	3,444,744	3,547,390	3,737,000	3,800,000
Incoming and/or outgoing mail	19,989,680	20,505,287	18,224,619*	18,700,000	19,100,000
New files prepared	450,209	489,157	500,573	510,000	520,000
Index searches	3,450,430	3,425,231	3,422,506	3,500,000	3,550,000
Verification of arrival and departure	94,358	87,469	81,939	81,500	81,000
Alien address reports received	2,948,973	3,038,304	3,128,765	3,175,000	3,225,000
AR cards laminated	342,766	364,402	593,906	595,000	595,000

*Apparent decrease results from change in reporting requirements.

6. IMMIGRATION AND NATURALIZATION RECORDS

Appropriation base	$5,678,000
Budget estimate	5,856,600
Increase in the budget estimate over the appropriation base	178,600

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. Each immigrant visa received becomes an active case file in the Service Files Control Office having jurisdiction in the area of the alien's residence. Thus, the number of new files prepared increases as the number of new immigrants increases. Other factors also affect the number of files prepared.

Files are also prepared on refugees paroled into this country, and on persons subject to Service actions if no previous file exists on the subject. 500,573 new files were prepared during the fiscal year 1962.

Continuing program planning is essential to discover inactive files that can be retired to Records Centers to help offset the need for additional space to house these files. The Service disposed of 4,874 cubic feet of records under existing destruction authorities and transferred 3,030 cubic feet of records to Federal Records Centers. This released storage space equivalent to 989 five-drawer file cabinets.

Open shelf filing equipment was obtained for the offices at Norfolk, Virginia; Dallas, Texas; San Diego, California; Phoenix, Arizona; Atlanta, Georgia; Miami, Florida; New Orleans, Louisiana; and San Juan, Puerto Rico. This will result in a saving of 1,728 square feet of floor space.

Index Searches. The volume of index searches increases or decreases in relation to Service operations and as file and index records are moved from one Service Files Control Office to another. Last fiscal year 3,422,506 index searches were made.

Alien Address Reports. It is a major task in each Files Control Office to receive, sort, count, alphabetize, and file over three million alien address report forms every year. In January 1962, 3,128,765 aliens reported their addresses, 90,461 more than in 1961. California still retains first place with 660,418 reporting. 574,637 aliens reported in New York. Florida, with 155,810, gained 38,191 over last year, due to the Cuban influx.

Other Accomplishments:

Master Index. The Master Index is an integration of all Service indexes. There is an index card for each case file pursuant to section 290 of the Immigration and Nationality Act.

Until last year, the Master Index was housed in 400 cabinets, each with 12 double drawers. Space for expansion was available for only 3 years. The filing drawers extended from the floor to above eye level. In the fiscal year 1962, the Service replaced these cabinets with 60 mechanical index machines in which over 500,000 all-purpose "searches" are made annually. There are now almost 30 million index cards in the Master Index and new cards are being added at the rate of 3,000,000 annually. The increased efficiency in the use of the index has brought about a number of beneficial procedures.

Program Outlook

The following new operations scheduled for the fiscal year 1963 will take additional advantage of the integrated Master Index:

(a) Route applications for United States citizen identification cards to the Master Index.

(b) Check all applicants for parole as refugee escapees against the Master Index.

(c) Cross-reference and post naturalization cases in the Master Index; cross-reference cards to be filed in the Master Index for all aliases cross-referenced in Files Control Office indexes.

(d) Check the Master Index in all first preference petition cases; audit certificate file charges in the Central Office; cross-reference aliases shown on controlled classified information.

All Service activities grow as international travel increases. Records workload increases go hand in hand with the volume of work in each of the other Service functions. Also, greater utilization of the records goes along with record system improvements. A program currently under way is the purging of obsolete index cards in all field office indexes.

IMMIGRATION AND NATURALIZATION RECORDS

INCREASE--$178,600

A.	Statutory salary advancements	$ 38,300
B.	Repairs and alterations, immigration stations	2,300
C.	Temporary records employment (34 man years) and related costs	138,000
	Total	178,600

A. Statutory Salary Advancements--Increase $38,300

B. Repairs and Alterations, Immigration Stations--Increase $2,300

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 amount referred to here represents the applicable portion chargeable to the Records activity.

C. Temporary Records Employment and Related Items--Increase $138,000

This Service enjoys a faster, more efficient records system today largely because of plans initiated in the 1940's and carried out over the past 20 years. Many painstaking projects have been necessary to meet the objectives of the Service files system: (1) to have only one file on any one individual, (2) to keep that file in the field office having jurisdiction over the subject's place of residence, (3) to have a continuous records disposition program, and (4) to maintain in the Central Office a Master Index of all files. This last objective is pursuant to section 290 of the Immigration and Nationality Act.

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As indicated in the Records program outlook section of these justifications field offices are currently purging obsolete index cards and those now on other than cards designed for the Master Index in all field office indexes. This will provide additional space for new records in field offices and make it easier to find and identify related records. Another benefit will result. The originals of new cards are forwarded to the Central Office to improve the currency of the Master Index. Almost 1.8 million cards will be received in the Central Office. They will have to be coded, sorted, and serialized before matching them against existing cards in other cases. A breakdown of the man day requirements to accomplish these functions appears on the following page as well as a summary of the salary and related costs.

TEMPORARY EMPLOYMENT IN RECORDS AND RELATED ITEMS

Filing Index Cards in the Master Index from the Purging Project in Field Office Indexes

WORKLOAD:	Number Work Units	Rate Per Man Day	Man Years
Task:			
Code Forms G-361	1,804,145	4,000	2
Sort Forms G-361 (4 sorts)	1,804,145	3,000	3
Serialize Forms G-361	1,804,145	4,000	2
Match Forms G-361 against cards in Master Index - File new card if no record - Substitute new card for old one if it is off-size or incorrect	1,804,145	500	16
Search 6.6% of 1,804,145 Forms G-361 for cross reference cards in Master Index. File new cross reference card or note correct primary name on old one and refile it	119,073	50	11
Total Man Years			34

COSTS:	Man Years	Grade	Annual Salary	Total Amount
Temporary employment	34	GS-2	$3,578	$119,500
Nightwork differential 10%			10%	12,000
F.I.C.A. - taxes - Government contribution 3 5/8%				4,900
Total Personal Services and Benefits				136,400
Supplies and materials 34 x $48				1,600
Grand Total				138,000

FORCE AND WORKLOAD
GENERAL ADMINISTRATION

	ACTUAL			ESTIMATE	
	1960	1961	1962	1963	1964
Positions					
Supervisory	24	20	25	24	24
Officers	52	62	53	53	53
Clerical	203	217	192	192	192
Custodial	11	11	11	11	11
Central Office	149	142	141	141	141
Total permanent positions	439	452	422	421	421
Average permanent employees	394	401	393	395	394
Average number of all employees	407	413	405	407	406
Workload					
Cards keypunched	1,993,665	2,114,762	1,388,788	1,420,000	1,500,000
Cards sorted	44,295,559	47,294,423	40,917,339	42,000,000	42,000,000
Documents coded(a)	1,812,100	1,931,872	1,397,984	1,451,000	1,516,000
Stencils and plates prepared	64,259	48,168	53,490	55,900	56,100
Duplicating work (sheets duplicated)	21,425,746	18,262,977	17,819,267	18,700,000	18,700,000
Personnel actions processed	8,242	8,350	7,328	7,100	7,100
Payroll changes (documents)	38,872	45,493	40,897	41,100	41,100
Vouchers examined	67,372	72,728	69,355	69,100	69,100
Travel authorizations issued	11,763	12,333	11,622	12,400	12,400
Contracts and leases awarded	611	580	443	400	400
Purchase orders issued	10,711	11,247	11,555	11,400	11,400
Collections for fees, fines, etc.	$ 4,534,201	$ 4,935,592	$ 4,613,442	$ 5,000,000	$ 5,000,000

(a) Effective July 1, 1962, a single punch card may represent a number of nonimmigrants.

7. GENERAL ADMINISTRATION

Appropriation base	$3,733,800
Budget estimate	3,802,300
Increase in the budget estimate over the appropriation base	68,500

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 Analysis. The Service's reports control and forms control programs standardize forms and reports and discover and eliminate unnecessary forms and reports. What is more important is that these programs prevent unnecessary work that usually results from uncontrolled forms and reports. Major stress has been placed upon work simplification and manpower utilization programs. Every major office of the Service now has officers who have been trained in work improvement techniques.

Work Measurement and Statistics. The collection, compilation, and interpretation of statistics on immigration and nationality and the work measurement system which measures work accomplished in relation to manpower utilized in the seven major programs and operations is a prerequisite for a successful management improvement program. A handbook of statistical coding, begun during the fiscal year 1962, has been completed. It will improve coding work and the utilization of statistics derived from coded punch cards. The development of work standards is one aim of most work measurement systems. During the year a uniform method of measuring efficiency on adjudications work was developed. It will serve as a comparative work measurement by the different field offices.

Accounting. The accounting system is being revised extensively. Preliminary tests of the system, which includes maintaining accounts on an accrual basis, have demonstrated its effectiveness and certain segments were successfully placed into operation on January 1, 1962.

Training. Another key to management improvement is training. During the fiscal year 1962, 464 officers completed training courses which ran from 3 days to 4 weeks. Executive development courses were held for officers in the top positions, and supervisory and journeyman courses were given in every Service activity. 133 newly appointed Patrol Inspector trainees completed 14 weeks of intensified training at the Border Patrol Academy. Additionally, many employees completed extension training programs and attended local training sessions in the technical and professional, administrative, supervisory, managerial, and clerical fields.

Program Outlook

Work Measurement and Statistics. A report based on a sample group of persons naturalized is planned which will relate immigration and naturalization as required in section 347 of the Immigration and Nationality Act to "show by nationalities (of those naturalized) their relation to

the number of aliens annually arriving and to the prevailing census of the population of the foreign-born, their economic, occupation, and other classification . . ."

In the fiscal year 1964 procedures will be designed for collecting additional data from alien address reports for 1965. The 1960 census failed to collect data on the citizenship of the foreign-born, therefore the only source for material on the total alien population is the Alien Address Report. An inquiry as to what has happened to the Hungarian refugees will be made. By 1964 these people will have been in the United States for five years after adjustment of status.

A handbook on how to analyze work measurement reports will be prepared. It will describe how to get averages, prepare trend line charts, and use performance standards for individual officers or for clerical personnel. The aim will be to make the work measurement report more useful to the individual supervisor.

Construction of Facilities. The Service has forged ahead on its joint program with the Bureau of Customs for the replacement of substandard border inspection stations at small ports. Plans to construct Border Patrol stations to replace inadequate quarters are also being continued. These projects are constructed 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.

GENERAL ADMINISTRATION

INCREASE--$68,500

A. Statutory salary advancements	$28,800
B. Repairs and alterations, immigration stations	6,100
C. Accident Compensation	33,600
Total	68,500

A. Statutory Salary Advancements-Increase $28,800

B. Repairs and Alterations, Immigration Stations-Increase $6,100

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 $33,600

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 1962 was $33,600.

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.

	Insp'n.	Det. & Dep.	Nat'n.	Border Patrol	Inv'n.	I&N Records	General Adm.	Total
Passenger vehicle replacements:								
Number of replacements	(36)	(1)	(2)	(2 buses) (124 sedans)	(85)	-	-	(2 buses) (248 sedans)
Vehicle cost, including $380 each for police-type equipment	$62,300	$1,800	$3,400	$241,800	$147,000	-	-	$456,300
Delivery costs	5,000	100	300	18,200	11,900	-	-	35,500
Sub-total	67,300	1,900	3,700	260,000	158,900	-	-	491,800
Statutory salary advancements:								
Personnel compensation	116,400	31,300	31,300	120,900	85,000	35,800	26,900	447,600
Life insurance benefits	600	100	100	600	400	200	100	2.100
Retirement benefits	7,600	2,000	2,000	7,900	5,500	2,300	1,800	29,100
Sub-total	124,600	33,400	33,400	129,400	90,900	38,300	28,800	478,800
Stations repairs and alterations:								
Supplies and materials	200	1,700	-	700	100	-	-	2,700
Contractual services	18,600	12,000	1,200	53,700	3,300	2,100	900	91,800
Lands and structures	1,400	200	100	54,000	100	200	5,200	61,200
Sub-total	20,200	13,900	1,300	108,400	3,500	2,300	6,100	155,700
Emergency generator equipment	-	33,000	-	152,900	-	-	-	185,900
Total, Multiactivity Items	212,100	82,200	38,400	650,700	253,300	40,600	34,900	1,312,200

Passenger Vehicle Replacements (248 sedans, 2 buses)--Increase $491,800

As of June 30, 1963, the Service will be operating an authorized fleet of 992 passenger vehicles, consisting of 973 sedans, 16 buses, and 3 station wagons. Out of an estimated 305 vehicles falling within GSA replacement standards during 1964, funds are requested for replacement of 248 sedans and 2 buses. These standards have been fixed with a view to replacement of vehicles prior to the time when rising costs of maintenance make further retention uneconomical. Passenger vehicles used by the Service average approximately 20,800 miles per year. Passenger vehicles are used for patrol of the border, pursuit of law violators, movement of aliens, travel of officers to meet arriving ships and planes at appointed times and places, travel in connection with examination and interrogation of naturalization applicants at over 600 courts, and for conducting investigations concerning aliens illegally in the United States. Buses are used for the transportation of aliens to and from detention centers, to border expulsion points, and general deportation work. A very considerable measure of operations efficiency rests upon the dependability of the fleet.

Replacement of sedans is estimated on the basis of a total cost of $1,870 per vehicle (including $380 for police-type equipment), net $1,730, plus $140 each for delivery charges; replacement of buses on the basis of $14,000 per vehicle gross, net $13,600, plus $400 each for delivery charges. Anticipated receipts for the sale of old vehicles are reflected in the estimated appropriation reimbursements for the fiscal year 1964. The details making up the total cost of replacements (distributed by activities in the tabulation above) are as follows:

	248 Sedans		2 Buses		TOTAL
	Unit	Amount	Unit	Amount	
Basic vehicles (gross)	$1,500	$372,000	$14,000	$28,000	$400,000
Police equipment	380	94,300	-	-	94,300
Subtotal	1,880	466,300	14,000	28,000	494,300
Sale of old vehicles	- 150	-37,200	- 400	- 800	-38,000
Basic vehicles (net)	1,730	429,100	13,600	27,200	456,300
Freight	140	34,700	400	800	35,500
Total	$1,870	$463,800	$14,000	$28,000	$491,800

The projected age and mileage distribution of the passenger vehicle fleet as of June 30, 1963, is as follows:

SEDANS

Model	Age	Number of Vehicles	Average Mileage
1963	1	248	5,000
1962	2	248	30,000
1961	3	243	50,000
1960	4	184	65,000
1959	5	50	80,000

BUSES

1963	1	2	6,000
1962	2	2	15,000
1961	3	1	30,000
1959	5	2	55,000
1958	6	4	40,625
1955	9	1	72,000
1954	10	4	60,000

STATION WAGONS

1961	3	1	22,500
1958	6	2	36,000

Statutory Salary Advancements--Increase $478,800

This request represents the cost for within-grade promotions, as authorized by law. Each employee is advanced in compensation to each of the first three within-grade rates after a waiting period of one year, to each of the next three within-grade rates after a two-year waiting period, and to each additional within-grade rate after a waiting period of three years, provided the employee's work is of an acceptable level of competence.

The Service's promotional program provides for the filling of vacancies from within by both qualified and eligible personnel. This program encompasses all officer positions, including those at supervisory, management, and executive levels. As a result, the Service is able to retain experienced personnel and has thus been able to handle a continually growing volume of work without receiving commensurate increases in personnel.

Historically, the Service's personnel losses per month average less than 1%. The estimate of $478,800 is the equivalent to 67 man-years, which makes it impossible for the Service to absorb the statutory cost by normal attrition within a one year period. To do so would necessitate arbitrary action in withholding recruitment approximately nine months per vacancy to enforce lapse savings of approximately 7% as compared with the normally accepted personnel lapse of approximately 3% per year for most agencies in the Federal Government. Concurrently, the performance of the Service's law enforcement functions would be greatly affected.

The total estimated cost of within-grade promotions in 1964 is $646,451. The Service will absorb 26% of this amount or $167,651. The remainder of $478,800 includes $447,600 for personnel compensation, $2,100 for the Government's share of employee's life insurance, and $29,100 for the Government's contribution to the employee retirement fund, which will increase as a result of Statutory within-grade promotions. The increase amounts to approximately $67 per employee.

Repairs and Alterations, Immigration Stations--Increase $155,700

The Service occupies many government-owned buildings located throughout the country. For many years the maintenance and repair of these buildings was deferred because of other pressing expenses. Many of the buildings are old and worn and require constant attention. In addition, unexpected mechanical failures, weather damage, and other emergencies require expenditures which have not been budgeted. The estimate of $155,700 for repairing and maintaining these buildings during the fiscal year 1964 is reported as an increase since the entire 1963 allocation has been deducted from the base.

Major items of the 1964 estimate include:

San Pedro, California: Install ceiling lighting to provide adequate lighting; El Centro, California: Resurface paved driveway and parking area with an asphalt emulsion to preserve paving done in 1955, and to reconstruct the pistol range; El Paso, Texas: Major renovation of guard towers. Paint sector headquarters, shop, and shelters that have not been painted since 1959; Marfa, Texas: Replace deteriorated garage doors; install protective cover over filling station island; erect vehicle shed where serious damage occurs from hail storms; black top gravel and sand driveway; Laredo, Texas: Renovation of refrigeration system in sector headquarters; replace car shed roof; Border Patrol Stations: Paint buildings; replace eaves facing and screen wire, and electrical wiring at various stations; Border Stations: Drill new well to supply water; repair basement floor; clean and repair furnace; install lawn at various stations; Port Isabel, Texas: Paint 15 major structures and 27 residences; major repairs, including motors, wiring, and some replacements to refrigeration system, and electrical maintenance.

The following page shows the actual obligations for 1962, the amounts allocated for 1963, and the estimate for 1964 for each station.

REPAIRS AND ALTERATIONS TO IMMIGRATION STATIONS
BY STATIONS AND PROJECTS

	Actual 1962	Estimate 1963	Estimate 1964
Immigration Stations:			
San Pedro, California	1,534	1,900	8,400
Honolulu, T. H.	1,545	1,100	2,600
El Centro, California	5,031	3,000	21,500
Detention Station - Tampa Florida	3,822	500	500
Inspection and Detention Station - Opa Locka, Florida	52,576	1,000	-
Detention Station and Sector Headquarters - El Paso, Texas	4,340	2,000	5,000
Sector Headquarters:			
McAllen, Texas	500	2,500	2,000
Marfa, Texas	656	3,800	8,400
Laredo, Texas	446	2,000	6,200
Del Rio, Texas	254	300	2,500
Tucson, Arizona	284	500	500
Yuma, Arizona	844	500	3,000
Chula Vista, California	1,187	8,300	500
Border Patrol Stations	12,463	8,900	35,900
Border Stations	13,189	4,200	10,700
Port Isabel, Texas	127,845	46,000	46,000
Repeater Stations, Towers, and Housing Units	1,285	3,200	2,000
Grand Total	227,801	89,700	155,700

Emergency Power Generators--Increase $185,900

Emergency power generators are required at alien detention facilities and certain border patrol sector headquarters not now adequately equipped, as well as at radio repeater sites.

There is an urgent requirement for the installation of emergency power equipment at the detention facilities at El Centro, California, and El Paso, Texas, to replace generators of inadequate capacity. A similar requirement exists at Port Isabel, Texas, where no emergency power is available for the installation.

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 Chula Vista, California, and Yuma, Arizona, requires that stand-by electrical power be available for use during periods when public utility lines fail and also in the event of a national emergency.

Each installation will be equipped with automatic change-over 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.

It is proposed to install the equipment at the most critical locations, which are listed below, during the fiscal year 1964 at an estimated cost of $185,900. Similar installations are programmed for the fiscal year 1965 at a further estimated cost of $64,100.

ALIEN DETENTION FACILITIES	ESTIMATED COST
El Centro, California	$ 11,450
El Paso, Texas	9,600
Port Isabel, Texas	11,920
BORDER PATROL SECTOR HEADQUARTERS	
Yuma, Arizona	13,725
Chula Vista, California	17,445
Grand Forks, North Dakota	11,500
RADIO REPEATER STATIONS	
Cunningham Peak, Arizona	850
Pilot Knob, Arizona	850
Reservoir Hill, Arizona	1,711
Saddle Gap, Arizona	2,300
Telegraph Pass, Arizona	850
Boulder Park, California	886
Santiago Peak, California	898
Miami, Florida, Area (8 locations)	9,168
Bonners Ferry, Idaho	1,520
Dawson Ridge, Idaho	1,520
New Orleans, Louisiana, Area (3 locations)	3,438
Bald Mountain, Maine	775
Greenville, Maine	775
Lincoln, Maine	775
Madawaska, Maine	775
Musquash, Maine	775

RADIO REPEATER STATIONS Contd.	ESTIMATED COST
Presque Isle, Maine	$ 775
Tolman, Maine	775
Baudette, Minnesota	1,520
Isabella, Minnesota	1,520
Loman, Minnesota	2,316
Warroad, Minnesota	1,360
Eckerman, Michigan	1,520
Alabama Butte, Montana	1,301
Big Mountain, Montana	1,520
Chief Mountain, Montana	1,520
Fort Peck, Montana	1,301
Greenbush, Montana	1,520
Mont Royal, Montana	1,301
Mt. Centennial, Montana	1,301
Scobey, Montana	1,301
Sioux Pass, Montana	1,520
Bear Butte, North Dakota	1,520
Calio, North Dakota	2,370
Lostwood, North Dakota	1,520
Milton, North Dakota	1,520
Pittsburg, New Hampshire	775
Arkwright, New York	775
Buffalo, New York	850
Cambria Center, New York	775
Watertown, New York	775
West Hill, New York	775
White's Hill, New York	775
Abney, Texas	1,380
Animas, Texas	1,100

RADIO REPEATER STATIONS Contd.	ESTIMATED COST
Artisia Wells, Texas	$ 2,236
Caballo, Texas	1,036
Carlsbad, Texas	1,211
Carrizo Springs, Texas	1,300
Chinati, Texas	825
Del Rio, Texas	1,300
Eagle Pass, Texas	1,300
Freer, Texas	2,236
Faysville, Texas	1,200
Juno, Texas	1,248
Laredo Tower, Texas	2,236
Longfellow, Texas	825
Long Ridge, Texas	1,036
Lyford, Texas	1,380
Mt. Franklin, Texas	8,536
Nine Point Mesa, Texas	825
Ord Mountain, Texas	825
Ozona, Texas	1,300
Quitman, Texas	1,036
Randado, Texas	2,236
Riviera, Texas	1,380
Silver City, Texas	1,036
Sonora, Texas	1,300
Uvalde, Texas	1,300
Winnie, Texas	1,380
Bellevue Hill, Vermont	775
Derby Line, Vermont	775
Colville, Washington	1,520
Monumental Mountain, Washington	1,520
Total	185,900

Mr. ROONEY. We are delighted and honored to have with us the distinguished Commissioner of Immigration and Naturalization, the Honorable Raymond F. Farrell, his distinguished associate, the Honorable Edward Loughran, and the distinguished Assistant Commissioner, the Honorable Dale Francis.

Commissioner Farrell, I believe you have a prepared statement?

GENERAL STATEMENT

Mr. FARRELL. I have no prepared statement, Mr. Chairman. I have a few notes here from which I would like to make a few remarks.

Mr. ROONEY. Very well. Please make enough remarks to justify or attempt to justify your requested budget of $70 million.

Mr. FARRELL. Yes, sir. This estimate, Mr. Chairman, of $70 million, is a net increase of $3,639,000 over the fiscal year 1963.

Mr. ROONEY. You have already lumped into your base $2,339,000, less $28,000; is that right?

Mr. FARRELL. Yes, sir.

Mr. ROONEY. So your actual increase is $5,950,000; is that right?

Mr. FARRELL. That is correct, sir.

Eighty percent of this net increase is for items which are mandatory adjustments, principally due to the recent pay raise, the cost of renting space at international airports, pursuant to the recent congressional act, Public Law 87–255, mandatory within-grade salary increases and the fact that there are 2 extra compensable days in the fiscal year 1964.

Mr. ROONEY. Did you say "international airports"?

Mr. FARRELL. International, sir.

REQUESTED INCREASES

There is included in this estimate an item of $240,000 to construct six inspection stations and adjunct facilities where present arrangements are most inadequate. There is $247,500 for the replacement of border patrol facilities at seven locations and the annual repair and alterations to existing stations amounts to $155,700. These items total $643,200.

The previous year, the construction of inspection stations cost $225,000 and repairs and alterations cost $89,700. Thus there is a net increase of $328,500.

There is a net additional cost for equipment of $270,300. This is for the replacement of passenger vehicles, trucks, aircraft, the renewal of the radio system—it is an annual matter—and five farm tractors. Also, we need emergency generators in case of national emergencies.

There is an item for $30,600, an increase to cover the cost to the Service of reimbursement to the Bureau of Employees Compensation; another item of $478,800 to cover the cost of the unabsorbed portion of the within-grade salary advancements.

The Service has been unable to absorb these due to the low turnover rate, the career employee program, and the necessity for keeping the complete force on duty for enforcement purposes.

There is $168,500 for overtime inspection work. This is for the regular overtime that is required inspecting border crossers and scheduled passenger arrivals.

There is $138,000 to employ temporary help to code, sort, serialize and match index cards for the master index. These cards are being sent to the central office by field offices, whose purging programs have been underway for some time.

An increase in the amount of $378,100 is required because there are two more compensable days in fiscal year 1964 and personal services and benefits must be paid for the 2 days.

There has been a 25-percent increase in postal rates. This will cost us $65,500. The Post Office Department has been helping us with our alien registration program on a reimbursable basis and the cost of handling this program has increased by $13,900.

An item of $5,800 covers the increase in the employer's share of the social security.

The cost of employees' salary increases under Public Law 87-793 is $2,412,000.

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DECREASES

This budget does reflect a net saving of $1,151,000 as a result of our decision to carry out our obligations in Florida with reference to the enforcement of departure control with reduction of 155 patrol inspectors. Thirty-three of these positions have been used to staff a Cuban processing program which became necessary as a result of the recent influx of Cubans into the Florida area.

GROWTH IN INTERNATIONAL TRAVEL

International travel has been growing for some years now. For the past 5 years it has increased at the rate of about 4 percent each year. During the fiscal year 1962 our officers inspected over 173.3 million persons, and approximately 100 million of these were aliens. About 284,000 aliens were admitted as immigrants.

Mr. ROONEY. This increase that you speak of in international travel, the figure was how much——

Mr. FARRELL. It was 173.3 million persons and almost 100 million of these were aliens.

Mr. ROONEY. What was that percentage that you mentioned?

Mr. FARRELL. It has been increasing at the rate of about 4 percent each year.

Mr. ANDRETTA. Is that all international?

Mr. FARRELL. Yes.

Mr. ROONEY. That includes all the crossings across the Mexican and Canadian borders, does it?

Mr. FARRELL. Yes, sir.

Mr. ROONEY. And including the crossings over the Mexican and Canadian borders the increase has only been 4 percent?

Mr. FARRELL. It has averaged out about 4 percent each year for the last 5 years.

Mr. ROONEY. What was the figure last year? Does that apply to last year and to the current year?

Mr. LOUGHRAN. It was 4 percent last year. The 1962 fiscal year was 3.2 percent. This current year, about 3 percent.

Mr. ROONEY. In the current year?

Mr. LOUGHRAN. Yes, sir.

Mr. ANDRETTA. The first 6 months.

Mr. ROONEY. Do you have any more detailed figures with regard to the Pacific and Atlantic coast ports which would indicate increases, if any, in international travel?

NONIMMIGRANTS ADMITTED BY CLASSES

Mr. LOUGHRAN. Mr. Chairman, I have a table on nonimmigrants admitted by classes. There is one for each year for 5 years.

Mr. ROONEY. We shall insert these charts, which indicate the numbers of nonimmigrant aliens admitted by classes under the immigration laws and country or region of last permanent residence for the 5 previous years, including the year which ended June 30, 1962.

(The charts follow:)

TABLE 17. NONIMMIGRANTS ADMITTED, BY CLASSES UNDER THE IMMIGRATION LAWS AND COUNTRY OR REGION OF LAST PERMANENT RESIDENCE: YEAR ENDED JUNE 30, 1962

[Data exclude border crossers, crewmen, Mexican agricultural laborers, insular travellers, and returning residents, students and others entering without documents.]

Country or region of last permanent residence	Number admitted	Foreign government officials	Temporary visitors for business	Temporary visitors for pleasure	Transit aliens	Treaty traders and investors	Students	Spouses and children of students	International representatives	Temporary workers and trainees 1/	Representatives of foreign information media	Exchange visitors	Spouses and children of exchange visitors	Returning resident aliens	NATO officials
All countries	1,331,383	33,373	117,242	810,779	110,276	5,071	41,202	1,037	9,747	57,608	1,766	26,977	3,039	112,261	1,002
Europe	350,163	10,578	66,377	203,599	37,517	2,109	3,834	63	4,514	5,773	1,099	10,604	928	2,309	852
Austria	4,200	130	607	2,610	185	10	34	2	128	229	9	225	6	25	-
Belgium	6,912	346	1,995	3,625	270	34	67	2	142	102	17	252	39	7	14
Czechoslovakia	585	86	25	343	30	-	1	-	73	17	4	2	-	2	2
Denmark	7,913	173	1,113	4,462	1,074	63	78	-	119	186	27	412	27	19	160
Finland	3,866	50	308	2,770	223	1	66	1	46	14	10	348	27	1	1
France	37,948	1,222	8,371	20,293	4,364	160	273	3	845	580	274	1,089	46	221	207
Germany	49,693	1,066	10,122	31,127	3,061	393	452	4	147	723	169	1,516	107	765	41
Greece	8,384	104	404	3,493	3,264	8	650	7	46	109	9	229	11	44	6
Hungary	412	57	37	256	8	-	3	-	40	6	-	1	-	4	-
Ireland	5,817	54	882	4,267	218	31	27	-	62	117	5	112	21	21	-
Italy	24,788	1,528	5,115	12,134	3,305	348	319	4	255	488	52	1,025	34	156	25
Latvia	22	1	6	14	-	-	1	-	-	-	-	-	-	-	-
Netherlands	20,327	307	4,381	11,783	2,352	72	143	4	245	210	21	594	61	64	90
Norway	9,408	302	944	3,586	3,729	21	204	3	106	50	22	335	31	26	49
Poland	2,230	352	46	1,245	94	1	20	1	76	209	6	156	10	14	-
Portugal	1,893	194	296	744	440	-	45	-	59	5	8	52	3	45	2
Rumania	297	64	45	104	14	-	2	-	57	3	1	4	-	-	3
Spain	10,471	430	1,033	3,601	3,864	40	197	-	156	689	8	372	23	57	1
Sweden	12,113	411	2,439	7,716	494	6	124	-	141	153	35	498	68	28	-
Switzerland	14,385	205	3,351	8,859	504	284	124	2	278	279	19	400	48	32	-
Turkey (Europe and Asia)	2,826	212	264	1,274	52	16	242	7	52	34	7	495	87	8	76
United Kingdom	119,322	2,689	23,693	76,810	9,635	549	629	21	837	1,056	342	1,906	241	733	181
U.S.S.R. (Europe and Asia)	2,187	371	415	381	130	-	40	-	485	323	39	-	-	3	-
Yugoslavia	2,510	129	248	1,074	139	71	42	2	80	178	6	500	26	15	-
Other Europe	1,654	95	237	1,028	68	1	51	-	39	13	9	81	12	19	1
Asia	84,521	8,421	17,498	27,538	5,055	2,720	9,073	275	1,256	1,709	311	9,337	1,044	281	3
China 2/	3,514	914	180	467	510	17	885	2	145	34	5	336	8	11	-
Hong Kong	3,588	22	304	1,503	644	4	987	-	31	8	-	81	1	3	-
India	8,098	255	1,141	2,039	353	9	2,024	103	287	159	16	1,497	196	18	1
Indonesia	1,691	449	73	295	40	-	58	2	62	123	-	554	29	4	2
Iran	3,139	889	138	906	15	8	648	24	44	10	3	406	35	13	-
Iraq	774	39	73	246	5	1	273	30	24	6	-	64	12	1	-
Israel	10,341	549	1,122	6,875	416	175	492	38	48	107	35	385	90	9	-
Japan	29,311	937	12,274	6,700	1,913	2,438	1,224	40	132	846	205	2,014	455	133	-
Jordan 2/	897	61	67	277	72	1	192	2	13	97	2	97	6	10	-
Korea	1,953	219	172	533	48	10	602	2	52	30	19	247	13	6	-
Lebanon	1,863	45	258	905	157	1	270	8	29	34	1	130	15	10	-
Philippines	9,661	877	881	4,399	621	29	493	6	95	177	2	1,942	96	43	-
Ryukyu Islands	292	-	25	129	47	-	21	-	-	26	-	42	-	2	-
Other Asia	9,399	3,165	790	2,264	214	27	904	18	294	52	23	1,542	88	18	-

North America	723,402	6,486	17,840	468,486	43,682	123	22,935	354	1,449	49,508	240	2,354	449	109,338	138
Canada	224,109	1,751	3,608	162,678	16,863	29	9,593	285	318	27,599	27	929	241	142	46
Mexico	222,086	3,232	5,374	198,988	6,749	6	5,015	34	354	922	195	801	109	306	1
Cuba	13,447	28	204	8,788	253	1	3,859	-	119	87	-	5	-	103	-
Dominican Republic	16,985	287	1,676	12,798	1,348	4	532	-	98	71	8	30	3	129	1
Haiti	3,924	126	245	2,407	853	-	95	-	139	13	-	28	4	14	-
Jamaica	24,137	83	865	9,771	6,365	17	533	5	49	6,343	2	75	11	16	2
Other West Indies	79,588	88	4,830	49,223	9,667	12	1,297	16	60	14,160	3	100	5	127	-
Costa Rica	3,535	32	149	2,826	192	-	182	4	28	2	-	73	31	16	-
El Salvador	4,898	215	143	3,808	246	1	319	3	59	2	-	79	12	11	-
Guatemala	8,038	190	228	6,602	308	1	455	5	93	8	-	103	22	23	-
Honduras	2,813	90	77	2,150	179	-	260	-	12	8	-	22	1	14	-
Nicaragua	3,241	125	67	2,628	122	-	222	-	16	5	-	21	1	34	-
Panama	4,666	95	240	3,363	357	1	469	-	41	19	-	61	3	17	-
Other Central America	2,196	25	81	1,673	118	-	49	2	3	221	-	7	4	13	-
Other North America	109,739	119	53	783	62	51	55	-	60	68	5	20	2	108,373	88
South America	122,017	5,459	8,519	82,157	17,482	102	3,203	176	1,638	319	67	2,325	355	213	2
Argentina	21,619	1,812	2,367	15,767	452	53	154	21	277	126	41	406	110	33	-
Brazil	13,655	794	1,876	8,990	664	3	240	18	339	50	9	546	104	22	-
Chile	7,682	779	411	5,451	294	2	99	6	249	25	1	299	42	24	-
Colombia	19,651	429	870	14,023	3,187	36	605	16	181	16	3	218	36	29	2
Ecuador	3,941	104	118	3,043	335	-	138	-	77	3	-	112	-	11	-
Peru	12,328	473	382	9,601	1,263	2	250	-	116	34	6	144	7	50	-
Venezuela	34,649	781	1,828	20,573	9,360	5	1,504	102	145	48	5	228	37	33	-
Other South America	8,492	287	667	4,709	1,927	1	213	13	254	17	2	372	19	11	-
Africa	12,886	1,403	1,627	4,990	423	10	1,485	128	667	103	23	1,843	139	44	1
Algeria	170	4	15	119	8	-	3	-	3	-	-	9	3	6	-
Morocco	665	33	52	387	33	-	14	-	28	23	2	85	-	7	1
South Africa	3,309	129	867	1,814	60	4	138	14	40	30	3	172	11	7	-
Tunisia	295	92	27	51	4	-	2	-	18	4	-	94	1	2	-
United Arab Republic (Egypt)	2,036	286	156	665	75	3	320	78	123	16	2	257	52	3	-
Other Africa	6,411	859	510	1,954	243	3	1,008	36	455	30	16	1,226	52	19	-
Oceania	38,350	1,026	5,379	23,986	6,109	4	671	41	221	174	26	511	124	76	2
Australia	26,113	882	4,326	16,148	3,685	2	190	35	163	119	26	385	114	37	1
New Zealand	8,851	142	666	6,077	1,683	1	61	6	56	14	-	115	10	19	1
Pacific Islands (U.S. adm.)	1,873	-	292	1,076	110	-	365	-	-	14	-	1	-	15	-
Other Oceania	1,513	2	95	685	631	1	55	-	2	27	-	10	-	5	-
Other countries	44	-	2	23	8	3	1	-	2	2	-	3	-	-	-

1/ Excludes 282,556 Mexican agricultural laborers.
2/ Includes Formosa.
3/ Includes Arab Palestine.

TABLE 17. NONIMMIGRANTS ADMITTED, BY CLASSES UNDER THE IMMIGRATION LAWS AND COUNTRY OR REGION OF LAST PERMANENT RESIDENCE: YEAR ENDED JUNE 30, 1961

[Data exclude border crossers, crewmen, Mexican agricultural laborers, insular travellers, and returning residents, students and others entering without documents]

Country or region of last permanent residence	Number admitted	Foreign government officials	Temporary visitors for business	Temporary visitors for pleasure	Transit aliens	Treaty traders and investors	Students	International representatives	Temporary workers and trainees 1/	Representatives of foreign information media	Exchange visitors	Returning resident aliens	NATO officials	Holders of certificates of indentity
All countries	1,220,315	30,704	116,165	742,307	106,888	4,549	35,072	9,383	44,263	1,949	24,346	103,931	755	3
Europe	306,164	10,716	64,385	167,189	35,025	2,066	3,360	4,621	5,794	1,295	9,412	1,786	515	-
Austria	3,751	140	612	2,176	234	10	32	83	171	11	260	20	2	-
Belgium	6,151	315	2,016	2,868	342	30	71	176	61	27	226	15	4	-
Czechoslovakia	586	77	38	213	77	3	2	94	74	3	1	4	-	-
Denmark	7,614	172	1,044	4,153	1,257	80	61	88	171	77	461	20	30	-
Finland	3,571	43	279	2,524	245	3	60	61	19	18	312	6	1	-
France	28,808	1,049	7,587	14,289	2,633	23	232	843	562	203	1,043	161	183	-
Germany	43,249	1,112	10,065	24,811	3,197	500	399	135	721	256	1,520	505	28	-
Greece	6,418	65	378	2,312	2,659	16	525	58	83	7	262	40	13	-
Hungary	320	73	40	118	20	-	1	54	6	5	-	3	-	-
Ireland	4,777	58	839	3,104	335	16	49	59	144	26	121	25	1	-
Italy	22,700	1,333	4,760	10,920	3,547	326	269	207	520	65	561	170	22	-
Latvia	29	-	3	16	5	-	-	1	1	-	1	2	-	-
Lithuania	35	4	7	18	1	-	-	-	3	1	1	-	-	-
Netherlands	17,949	429	4,233	9,506	2,468	51	127	203	286	34	514	46	52	-
Norway	8,227	285	967	3,247	2,961	25	195	118	73	7	321	14	14	-
Poland	2,068	311	64	1,200	135	-	38	74	158	14	71	1	2	-
Portugal	1,838	276	220	757	408	1	38	38	25	2	51	12	10	-
Rumania	392	98	43	78	35	-	4	75	43	3	5	8	-	-
Spain	9,654	371	963	2,949	3,885	50	176	149	690	10	363	48	-	-
Sweden	11,558	388	2,824	6,928	564	5	90	133	113	70	427	16	-	-
Switzerland	12,006	183	3,272	6,686	504	276	134	235	251	18	420	25	2	-
Turkey (Europe and Asia)	1,987	230	189	716	36	3	184	61	38	6	477	14	33	-
United Kingdom	106,141	2,931	23,074	65,205	9,032	587	573	810	1,206	398	1,628	581	116	-
U.S.S.R. (Europe and Asia)	2,434	498	389	507	240	-	22	655	110	10	3	-	-	-
Yugoslavia	2,221	190	219	962	118	59	38	124	216	18	265	12	-	-
Other Europe	1,680	85	260	926	87	2	40	87	49	6	98	38	2	-

Asia	74,054	7,216	17,341	21,840	4,930	2,197	8,581	1,200	1,430	291	8,700	323	5	-
China 2/	3,141	960	206	467	335	13	739	115	19	4	275	8	-	-
Hong Kong	3,250	11	249	1,188	645	2	1,051	31	9	-	50	14	-	-
India	7,459	277	968	1,942	367	6	1,954	227	143	19	1,527	29	-	-
Indonesia	1,804	543	172	246	90	-	83	83	103	10	466	8	-	-
Iran	3,066	761	170	893	26	6	815	48	21	6	306	14	-	-
Iraq	751	49	58	281	13	3	237	20	7	2	78	3	-	-
Israel	8,759	475	1,285	5,320	442	148	456	58	217	37	313	8	-	-
Japan	26,621	697	12,381	5,236	1,908	1,964	988	121	753	177	2,251	144	1	-
Jordan 3/	677	37	41	183	87	2	193	26	4	3	98	3	-	-
Korea	1,620	169	132	393	66	5	466	34	18	18	307	11	1	-
Lebanon	1,624	50	219	704	216	1	222	53	12	8	131	8	-	-
Philippines	7,650	909	892	3,241	462	31	498	109	53	2	1,413	37	3	-
Ryukyu Islands	307	8	34	96	85	-	24	2	5	-	44	9	-	-
Other Asia	7,325	2,270	534	1,650	188	16	855	273	66	5	1,441	27	-	-
North America	687,025	5,493	18,320	459,834	42,943	161	18,273	1,290	36,441	250	2,333	101,455	229	3
Canada	223,931	1,376	3,549	171,257	17,063	42	8,803	280	20,323	30	972	117	118	1
Mexico	202,502	2,892	5,901	179,113	7,429	15	4,895	304	799	187	703	263	1	-
Cuba	34,822	93	1,663	29,516	1,618	-	952	199	433	15	17	316	-	-
Other West Indies	101,093	417	6,261	62,007	15,018	57	1,852	190	14,800	11	226	226	27	1
Central America	23,051	588	903	17,282	1,726	-	1,733	236	71	2	385	125	-	-
Other North America	101,626	127	43	659	89	47	38	81	15	5	30	100,408	83	1
South America	108,467	5,067	8,912	67,420	19,896	99	3,198	1,240	334	67	1,994	238	2	-
Argentina	18,028	764	3,068	12,722	578	58	170	169	66	23	377	33	-	-
Brazil	14,341	1,845	1,925	8,293	879	4	312	318	148	21	556	39	1	-
Colombia	14,479	311	645	9,419	3,240	27	439	106	24	4	223	40	1	-
Ecuador	3,012	170	120	2,148	321	1	96	64	5	1	73	13	-	-
Peru	7,220	377	290	5,074	1,046	2	170	89	5	2	132	33	-	-
Venezuela	39,591	962	1,961	22,171	12,296	5	1,807	145	63	13	130	38	-	-
Other South America	11,796	638	903	7,593	1,536	2	204	349	23	3	503	42	-	-
Africa	11,558	1,300	1,579	4,545	498	16	1,177	782	126	18	1,479	36	2	-
Morocco	659	37	63	291	39	1	20	70	28	1	104	5	-	-
Tunisia	353	98	11	62	5	-	1	5	1	-	168	1	1	-
Union of South Africa	3,535	213	922	1,908	75	6	178	37	22	6	159	8	1	-
United Arab Republic	2,259	262	210	821	153	8	355	176	9	8	257	-	-	-
Other Africa	4,752	690	373	1,463	226	1	623	494	66	3	791	22	-	-
Oceania	32,983	912	5,628	21,451	3,566	7	482	250	136	28	428	93	2	-
Australia	22,931	741	4,516	14,745	2,047	6	181	199	110	25	327	33	1	-
New Zealand	7,850	164	847	5,468	1,149	-	51	46	18	2	97	7	1	-
Other Oceania	2,202	7	265	1,238	370	1	250	5	8	1	4	53	-	-
Other countries	64	-	-	28	30	3	1	-	2	-	-	-	-	-

1/ Excludes 294,149 Mexican agricultural laborers.
2/ Includes Formosa.
3/ Includes Arab Palestine.

TABLE 17. NONIMMIGRANTS ADMITTED ... CLASSES UNDER IMMIGRATION LAWS
AND COUNTRY OR REGION OF LAST PERMANENT RESIDENCE: YEAR ENDED JUNE 30, 1960

[Data exclude border crossers, crewmen, Mexican agricultural laborers, insular travellers, and returning residents and students and others entering without documents]

Country or region of last permanent residence	Number admitted	Foreign government officials	Temporary visitors for business	Temporary visitors for pleasure	Transit aliens	Treaty trader and investor	Students	International representatives	Temporary workers and trainees 1/	Representatives of foreign information media	Exchange visitors	Returning resident aliens	NATO officials	Other classes
All countries	1,140,736	32,569	108,139	671,07	118,291	3,803	35,415	7,398	38,479	1,808	25,233	97,895	633	7
Europe	278,655	12,200	58,304	140,280	41,441	1,747	3,144	3,640	5,312	1,263	9,639	1,289	396	-
Austria	3,629	78	508	1,877	302	3	40	77	470	18	248	7	1	-
Belgium	5,627	289	1,803	2,621	398	18	58	106	80	9	233	7	5	-
Czechoslovakia	510	104	41	198	67	1	1	74	15	7	2	-	-	-
Denmark	7,627	245	996	3,485	2,018	88	45	92	53	34	548	16	7	-
Finland	3,111	57	240	2,093	191	10	55	54	63	13	327	8	-	-
France	25,772	869	6,223	12,321	3,301	7	225	729	643	245	979	144	86	-
Germany	40,352	2,618	8,892	21,016	4,377	438	295	90	602	185	1,506	310	23	-
Greece	4,514	102	267	1,751	1,376	19	488	41	47	13	378	27	5	-
Hungary	211	51	29	64	27	-	4	29	3	1	1	1	1	-
Ireland	3,600	55	607	2,399	238	8	37	44	100	8	76	28	-	-
Italy	19,595	1,734	3,765	8,673	3,525	244	249	224	382	60	577	144	18	-
Latvia	24	5	5	8	3	-	1	2	-	-	-	-	-	-
Lithuania	24	12	1	9	1	-	1	-	-	-	1	-	-	-
Netherlands	21,193	342	3,930	8,157	7,645	23	135	183	205	19	499	30	25	-
Norway	7,968	297	833	2,929	3,107	23	195	85	97	23	369	7	3	-
Poland	1,810	246	53	1,002	164	1	23	54	122	5	138	2	-	-
Portugal	1,855	168	238	743	490	-	54	40	12	5	71	27	7	-
Rumania	199	66	12	56	21	1	2	35	3	2	1	-	-	-
Spain	8,701	451	728	2,493	3,752	27	147	123	491	7	459	23	-	-
Sweden	10,597	271	2,884	5,589	863	6	115	111	143	90	489	34	2	-
Switzerland	10,818	159	3,102	5,559	830	231	98	222	211	33	331	41	1	-
Turkey (Europe and Asia) ..	2,832	264	359	1,233	120	7	231	58	31	9	496	14	10	-
United Kingdom	91,339	2,540	22,021	53,757	7,825	558	533	660	925	393	1,523	402	202	-
U.S.S.R. (Europe and Asia).	3,531	949	315	639	547	1	30	393	588	64	4	1	-	-
Yugoslavia	1,542	117	163	692	114	31	25	58	16	16	286	4	-	-
Other Europe	1,674	111	270	916	139	2	57	56	10	4	97	12	-	-

Asia	73,548	7,464	12,355	16,765	13,041	1,820	7,823	949	3,912	172	8,882	3[illegible]0	5	-
China 2/	2,911	980	137	326	271	9	668	96	39	6	352	7	-	-
Hong Kong	3,050	10	304	775	901	2	954	35	18	2	48	1	-	-
India	5,883	234	870	1,[illegible]	271	4	1,530	194	72	5	1,320	16	1	-
Indonesia	1,564	535	79	[illegible]	171	-	56	47	6	4	476	2	-	-
Iran	3,342	839	158	[illegible]	20	7	997	41	21	4	380	10	-	-
Israel	6,967	363	950	4,122	499	96	396	30	185	17	301	8	-	-
Japan	27,786	748	8,183	3,531	8,724	1,670	872	100	1,520	121	2,108	207	2	-
Jordan 3/	439	44	20	105	56	-	134	18	6	2	53	1	-	-
Korea	1,401	70	99	209	133	2	422	24	10	7	419	6	-	-
Lebanon	1,590	33	234	642	269	2	249	45	7	1	100	8	-	-
Philippines	9,817	781	852	2,886	1,029	19	515	71	1,980	3	1,619	61	1	-
Other Asia	8,798	2,827	469	1,750	697	9	1,010	248	48	-	1,706	33	1	-
North America	644,909	5,643	21,822	424,846	44,496	143	19,104	1,187	28,628	258	2,779	95,777	219	7
Canada	214,416	1,362	3,838	168,095	17,343	48	8,198	303	14,054	18	956	129	72	-
Mexico	168,100	2,457	5,657	146,158	6,324	9	4,826	254	967	182	863	402	1	-
Cuba	52,098	536	4,885	40,862	2,052	2	2,116	157	818	41	52	567	10	-
Other West Indies	88,142	491	6,092	49,072	17,265	51	1,732	168	12,739	5	319	206	2	-
Central America	26,621	704	1,312	20,225	1,389	2	2,210	214	44	2	578	140	1	-
Other North America	95,332	93	38	434	123	31	22	91	6	10	11	94,333	133	7
South America	105,029	5,237	8,537	67,[illegible]	15,310	78	4,051	1,123	370	58	2,242	286	8	-
Argentina	13,208	563	2,457	8,535	602	59	138	218	163	35	412	26	-	-
Brazil	11,268	1,074	1,640	6,839	594	1	272	207	47	7	555	31	1	-
Colombia	16,486	265	860	11,741	2,632	15	569	91	12	2	229	66	4	-
Ecuador	3,686	183	144	2,680	270	-	165	72	4	-	133	33	2	-
Peru	6,525	203	327	4,800	721	1	191	58	26	-	152	46	-	-
Venezuela	41,279	2,407	2,031	25,095	8,816	1	2,457	202	85	13	135	36	1	-
Other South America	12,577	542	1,078	8,039	1,675	1	259	275	33	1	626	48	-	-
Africa	9,367	956	1,442	4,021	476	4	780	281	78	17	1,269	42	1	-
United Arab Republic	2,121	293	216	639	183	2	300	87	11	6	374	9	1	-
Union of South Africa	3,113	199	812	1,740	103	1	95	21	26	5	102	9	-	-
Morocco	520	42	45	255	29	-	17	5	30	1	87	9	-	-
Other Africa	3,613	422	369	1,387	161	1	368	168	11	5	706	15	-	-
Oceania	29,058	1,066	5,563	17,393	3,430	7	508	216	174	40	421	139	1	-
Australia	20,791	688	4,671	12,242	2,186	7	157	156	91	39	315	38	1	-
New Zealand	6,320	68	824	4,134	946	-	53	54	22	1	100	18	-	-
Other Oceania	1,947	10	168	1,017	298	-	298	8	61	-	6	83	-	-
Other countries	170	3	7	41	97	4	5	2	5	-	1	2	3	-

Country or region of last permanent residence	Number admitted	Foreign government officials	Temporary visitors for business	Temporary visitors for pleasure	Transit aliens	Treaty traders and investors	Students	International representatives	Temporary workers and trainees 1/	Representatives of foreign information media	Exchange aliens	Returning resident aliens	Other classes
All countries ...	1,024,945	30,701	91,434	597,982	116,814	3,036	35,583	7,607	29,339	1,198	24,293	85,915	1,043
Europe	238,804	10,681	46,025	120,040	37,490	1,340	2,901	3,741	4,190	751	9,653	1,699	293
Austria	2,910	113	393	1,470	369	3	34	53	151	3	298	23	-
Belgium	4,739	318	1,256	2,243	353	19	65	124	53	17	275	13	3
Czechoslovakia	366	115	21	95	50	-	1	78	4	1	-	1	-
Denmark	6,953	195	839	3,182	1,803	23	48	69	190	35	547	16	6
Finland	2,080	64	154	1,188	234	11	46	53	27	6	294	3	-
France	22,296	715	5,064	10,915	2,682	1	252	766	481	104	1,031	207	78
Germany	33,715	2,198	6,395	17,801	3,923	276	320	85	536	73	1,534	560	14
Greece	3,518	106	230	1,648	650	15	419	45	40	5	326	32	2
Hungary	220	47	16	66	40	-	6	42	-	-	1	2	-
Ireland	3,004	53	430	1,969	278	3	32	56	85	5	78	12	3
Italy	15,866	1,090	2,928	6,348	3,719	179	223	216	331	19	686	123	4
Latvia	32	4	1	22	5	-	-	-	-	-	-	-	-
Lithuania	21	1	3	11	4	-	-	-	1	-	1	-	-
Netherlands	16,459	319	3,152	6,334	5,672	10	101	206	115	14	434	35	67
Norway	7,174	310	653	2,659	2,809	17	190	90	22	28	369	19	8
Poland	2,213	261	81	1,453	74	-	25	72	108	5	129	3	2
Portugal	1,619	182	176	745	326	2	63	18	4	3	78	18	4
Rumania	174	64	5	41	7	-	3	46	6	-	-	1	1
Spain	8,154	429	622	2,413	3,348	28	141	83	517	10	535	27	1
Sweden	9,797	266	2,214	5,653	844	3	73	117	88	66	447	25	1
Switzerland	9,145	157	2,281	4,892	712	184	80	263	184	11	349	32	-
Turkey	1,771	86	183	923	62	4	152	16	15	10	299	9	12
United Kingdom	81,285	2,518	18,434	46,191	8,910	516	524	753	999	301	1,541	515	83
U.S.S.R.	1,943	831	147	200	137	-	18	381	212	14	2	-	1
Yugoslavia	1,615	154	116	748	177	14	39	48	10	9	293	4	3
Other Europe	1,735	85	231	830	302	32	46	61	11	12	106	19	-

Asia	64,012	7,435	8,224	13,552	12,818	1,344	6,701	981	3,943	120	8,418	431	45
China 2/	3,129	1,430	127	274	305	1	567	103	36	4	274	8	-
Hong Kong	3,089	7	300	683	1,433	-	596	35	2	-	28	5	-
India	4,477	279	508	976	199	3	1,134	196	35	16	1,120	9	2
Iran	3,029	634	146	664	26	2	1,086	35	32	4	391	9	-
Israel	5,620	347	709	3,400	324	67	337	53	95	24	257	7	-
Japan	21,385	892	4,959	2,329	7,988	1,255	725	87	913	57	1,942	238	-
Jordan 3/.....	384	26	41	81	35	-	118	26	1	-	54	2	-
Korea	1,374	65	78	160	154	-	386	18	10	1	494	7	1
Philippines	9,563	788	661	2,243	1,025	13	482	81	2,744	6	1,451	69	-
Other Asia	11,962	2,967	695	2,742	1,329	3	1,270	347	75	8	2,407	77	42
North America	591,781	5,653	23,362	387,762	44,888	124	21,013	1,313	20,661	199	2,936	83,173	697
Canada	183,734	1,030	3,959	138,742	20,028	22	8,397	349	9,791	15	1,132	168	101
Mexico	154,955	1,806	6,488	132,918	6,405	22	4,967	302	849	147	857	191	3
Cuba	69,424	1,075	5,964	54,796	1,889	4	3,940	211	649	34	102	753	7
Other West Indies ..	74,607	593	5,571	41,888	15,095	47	1,483	149	9,290	2	256	221	12
Central America	26,028	1,041	1,278	19,039	1,348	1	2,199	217	78	1	576	246	4
Other North America.	83,033	108	102	379	123	28	27	85	4	-	13	81,594	570
South America	94,124	5,251	7,653	58,251	14,706	218	3,919	1,146	347	83	2,171	376	3
Argentina	11,132	495	1,928	7,059	564	201	117	206	89	68	370	35	-
Brazil	10,611	1,259	1,473	5,901	927	-	244	206	33	4	540	24	-
Colombia	13,809	270	814	8,775	2,888	7	628	111	18	2	210	85	1
Ecuador	3,554	231	141	2,451	274	-	165	117	4	1	104	66	-
Peru	5,975	365	350	4,152	600	1	250	67	10	2	142	36	-
Venezuela	38,128	2,094	2,122	23,251	7,962	5	2,242	198	53	3	109	88	1
Other South America.	10,915	537	825	6,662	1,491	4	273	241	140	3	696	42	1
Africa	7,358	650	1,207	3,409	474	8	535	244	56	14	708	48	5
Australia	18,415	802	4,077	10,574	2,205	1	183	123	95	26	291	38	-
New Zealand	5,474	202	675	3,386	999	-	36	44	9	1	99	23	-
Other countries	4,977	27	211	1,008	3,234	1	295	15	38	4	17	127	-

1/ Excludes 447,535 Mexican agricultural laborers.
2/ Includes Formosa.
3/ Includes Arab Palestine.

TABLE 17. NONIMMIGRANT ALIENS ADMITTED, BY CLASSES UNDER THE IMMIGRATION LAWS AND COUNTRY OR REGION OF LAST PERMANENT RESIDENCE: YEAR ENDED JUNE 30, 1958

Country or region of last permanent residence	Number admitted	Foreign government officials	Temporary visitors for business	Temporary visitors for pleasure	Transit aliens	Treaty traders and investors	Students	International representatives	Temporary workers and trainees 1/	Representatives of foreign information media	Exchange aliens	Returning resident aliens	Other classes
All countries ...	847,764	29,265	81,405	514,599	99,190	2,500	34,848	6,781	24,402	1,027	20,349	32,747	651
Europe	203,967	3,897	40,586	94,896	38,938	997	2,378	3,192	3,271	553	7,442	2,328	489
Austria	2,676	76	379	1,183	461	3	42	58	168	4	275	27	-
Belgium	4,186	306	1,062	1,824	500	21	53	132	41	5	203	29	10
Czechoslovakia	281	128	15	53	37	-	1	44	-	-	1	2	-
Denmark	5,874	203	774	2,417	1,738	58	9	79	58	13	440	41	44
Finland	1,806	57	124	688	600	10	37	46	14	4	217	8	1
France	20,424	830	4,764	9,768	2,497	13	202	643	375	111	825	274	122
Germany	27,044	1,524	5,675	12,902	4,035	185	242	56	536	78	1,139	647	25
Greece	2,736	68	245	973	783	17	293	44	37	4	217	48	7
Hungary	227	33	26	51	87	-	-	24	1	-	1	4	-
Ireland	3,408	63	403	1,709	981	4	44	28	52	19	56	45	4
Italy	13,852	966	2,492	4,668	4,345	136	162	163	209	15	507	176	13
Latvia	26	-	5	9	6	-	-	1	-	-	3	2	-
Lithuania	52	-	4	19	10	-	-	-	-	-	19	-	-
Netherlands	12,133	241	2,588	5,857	2,689	7	88	172	72	15	309	64	31
Norway	6,470	213	630	2,373	2,662	22	124	47	36	23	239	46	55
Poland	2,048	249	81	1,401	154	1	16	47	36	3	53	7	-
Portugal	2,222	134	164	699	1,053	-	41	12	28	3	39	49	-
Rumania	257	77	19	56	26	-	1	68	1	1	-	7	1
Spain	7,029	401	612	2,162	2,572	16	145	101	472	5	515	27	1
Sweden	7,745	187	1,901	4,110	864	11	71	116	60	18	370	30	7
Switzerland	7,726	174	1,963	4,093	591	129	91	258	129	7	208	83	-
Turkey	2,692	171	264	1,142	355	7	185	50	18	1	464	13	22

United Kingdom	68,637	1,981	16,163	35,069	11,061	350	429	627	823	220	1,134	635	145
U.S.S.R.	1,118	400	42	165	139	-	3	278	78	-	9	4	-
Yugoslavia	1,488	351	18	710	289	4	30	30	22	2	25	7	-
Other Europe	1,810	64	173	795	403	3	69	68	5	2	174	53	1
Asia	52,863	7,552	6,634	10,940	7,507	1,069	6,285	899	3,527	116	7,526	799	9
China 2/	2,925	1,143	91	381	350	1	581	74	22	2	269	11	-
Hong Kong	2,370	14	115	415	1,351	1	409	11	6	-	27	21	-
India	3,524	187	387	723	208	2	922	189	59	12	814	20	1
Iran	2,392	395	115	487	35	2	880	31	2	2	436	5	2
Israel	5,240	375	734	2,884	443	35	309	37	69	24	315	14	1
Japan	14,063	932	3,625	1,731	3,406	1,004	708	97	486	41	1,554	479	-
Jordan 3/	444	56	24	100	44	1	144	16	1	1	56	1	-
Korea	1,918	770	53	138	54	1	422	17	4	1	445	13	-
Philippines	9,640	776	788	1,925	807	13	628	95	2,799	15	1,677	117	-
Other Asia	10,347	2,904	702	2,156	809	9	1,282	332	79	18	1,933	118	5
North America	480,619	6,171	21,685	341,073	39,619	210	21,075	1,487	17,083	302	2,890	28,873	151
Canada	159,912	768	3,469	114,026	22,494	42	9,115	304	8,235	29	1,194	182	54
Mexico	137,429	1,717	6,411	116,349	6,226	10	4,656	299	596	191	803	170	1
Cuba	72,921	1,339	6,270	58,783	1,648	10	3,506	191	707	33	92	337	5
Other West Indies .	56,161	714	4,042	33,899	7,908	12	1,431	170	7,481	11	265	228	-
Central America ...	24,701	1,348	1,378	17,520	1,215	20	2,313	210	53	13	499	130	2
Other No. America .	29,495	285	115	496	128	116	54	313	11	25	37	27,826	89
South America	79,673	5,208	6,734	51,500	8,830	212	4,069	862	264	20	1,668	305	1
Argentina	9,967	684	1,368	6,630	585	170	116	119	45	2	214	34	-
Colombia	12,150	371	858	8,197	1,597	7	695	134	17	3	188	83	-
Other So. America .	57,556	4,153	4,508	36,673	6,648	35	3,258	609	202	15	1,266	188	1
Africa	6,429	591	1,277	2,867	431	3	530	153	63	9	446	58	1
Australia & N.Zealand.	21,221	793	4,236	11,969	3,185	3	190	157	121	26	343	198	-
Other countries	2,992	53	253	1,354	680	6	321	31	73	1	34	186	-

1/ Excludes 418,885 Mexican agricultural laborers.
2/ Includes Formosa.
3/ Includes Arab Palestine.

Mr. ROONEY. Please proceed, Commissioner.

INCREASE IN PASSENGER ARRIVALS

Mr. FARRELL. Passenger arrivals increased an average of 10 percent each year over the past 5 years and about 284,000 were admitted as immigrants for permanent residence. New international highways——

Mr. ROONEY. How long has that increase been going on at 10 percent a year?

Mr. FARRELL. Ten percent each year over the past 5 years.

Mr. ROONEY. And the last year; to wit, fiscal year 1962, was it a 10-percent increase compared with the 10-percent increase in the year before, 1961?

Mr. FARRELL. Yes, sir. It has averaged out at 10 percent yearly since 1958. Individual increases for 1962 and 1961 were each about 8 percent over the prior years.

New international highways, improved service by oceangoing vessels, use of larger and more efficient airplanes, new international airports such as the ones at Los Angeles, Honolulu, Denver, and Chicago, will be contributing even more traffic from foreign countries during the next fiscal year.

Under the act of July 14, 1960, 5,300 refugee escapees came to the United States.

Mr. ROONEY. While we are at this point I should like to direct your attention to the language of your scenario writer at page 26.29 of the justifications on the subject of international travel. He says, "Issuance of visas has been speeded up. Larger and more efficient airplanes are being placed into service. New roads and road improvements are commonplace and service by oceangoing vessels has been improved. These factors, plus effects of the International Travel Act, Public Law 87–63, enacted June 29, 1961, will result in a substantial increase in international travel."

Have you anything you can point out to us that would justify that last sentence?

Mr. LOUGHRAN. Mr. Chairman, if I may, let me take the increase in nonimmigrants admitted to the United States for business and pleasure. In 1960, for example, it was 491,359.

Mr. ROONEY. Do you have another set of charts with regard to this?

Mr. LOUGHRAN. No, sir, I do not. I just have notes here.

Mr. ROONEY. All right. Please go ahead.

Mr. LOUGHRAN. In 1961 it was 516,152 and in 1962 it was 603,715. These are visitors for pleasure and business admitted to the United States for the calendar years 1960, 1961, and 1962 and they exclude persons from Mexico and Canada.

Mr. ROONEY. Are you in position to tell us that any of these additional travelers which have been mounting over the years have they not——

Mr. LOUGHRAN. Yes, sir.

Mr. ROONEY. Ever since World War II.

Mr. LOUGHRAN. Yes, sir.

Mr. ROONEY. That this has been the result of activities on the part of another agency of Government?

Mr. LOUGHRAN. I cannot say that that is the reason for it but something is creating it. I thought that possibly may have been the reason, since there were so many offices opened around the world.

Mr. ROONEY. It is not a fact that in Europe we have countries such as Western Germany, France, and Italy, booming as they never have before? Is that not more likely the cause of an increase in this sort of travel than any offices we might have?

Mr. LOUGHRAN. It may well be, sir.

REFUGEES

Mr. FARRELL. During the past year, 5,300 refugee escapees were paroled into the United States under the act of July 14, 1960; 125,800 Cuban refugees had been paroled in by the end of the fiscal year 1962 and as of December 31, 1962, the total was 155,000 Cuban refugees.

As of December 31, 1962, 5,100 Chinese refugees had been authorized for parole into the United States. This figure as of right now is over 6,000 and probably will increase to approximately 11,000 within the next 4 or 5 months.

DETENTION AND DEPORTATION

The Service deported 61,800 aliens during the past fiscal year; 7,600 were deported under formal orders of deportation and 682 of these were in the criminal, immoral, narcotic, or subversive classes.

The Service operates 4 detention facilities and during the past year 21,500 aliens were housed in these and we housed about 13,000 in other facilities which do not belong to us.

CUBAN PROCESSING

As a result of the influx of Cubans into the country the Service was required to set up facilities at Miami, Fla., and to begin a processing program. In the course of doing this we took 33 of the 155 positions referred to above and are using these to do this work. Those are 33 positions that were allotted as part of the 155 border patrolmen for the departure control program.

In that connection I might say that as a result of a study that we made at the request of the Attorney General we were able to figure out new operational techniques and ways of carrying out their program without that $1,151,000 and without those 155 men. We did, however, have to take 33 of the positions for the processing of Cubans.

Mr. BOW. Before leaving that, Mr. Chairman, would you yield just a minute?

Mr. ROONEY. Yes, sir.

Mr. BOW. Were you able to figure out a per capita cost of processing those refugees who came in from Cuba?

Mr. LOUGHRAN. We have not done it yet, sir.

Mr. BOW. Would it be difficult to do it?

Mr. LOUGHRAN. I do not believe so.

Mr. BOW. Would you submit that for the record at this point?

Mr. LOUGHRAN. I would be glad to, sir.
(The information requested follows:)

Per capita cost of processing a Cuban refugee, $8.68.

NATURALIZATION POTENTIAL

Mr. FARRELL. The general trend in naturalization work is still upward. Over 1,700,000 aliens entered the United States as immigrants during the period 1951 to 1957. This presents a potential for naturalization.

FORMAL DEPORTATIONS

Mr. ROONEY. What was the figure you mentioned a while ago as the total number of people deported in the past year?

Mr. FARRELL. 61,800. It was in excess of 61,800; 7,600 of those we had to put under regular formal deportation proceedings. The others were expelled.

Mr. ROONEY. You are including cases at the Mexican and Canadian borders?

Mr. FARRELL. Yes, sir.

Mr. ROONEY. You just turn the car around and send them back again.

Mr. FARRELL. Approximately 54,000 will be in that category.

Mr. ROONEY. The real deportation cases amounted to 7,600 during the year?

Mr. FARRELL. Those are the ones where we had to have hearings and go all through it. The others were people we had to apprehend. They would not leave under their own power. We had to apprehend and expel them.

Mr. ROONEY. I did not want to leave the impression you were say-you deported 61,000 while the Attorney General said 7,600.

Mr. FARRELL. I think he had in mind the formal deportations.

Mr. ROONEY. His sentence was more than 7,600 aliens were deported during fiscal year 1962.

Mr. FARRELL. That is correct, and then there was another 54,000 who had to be expelled under pressure. They would not leave under their own power.

Mr. CEDERBERG. Mr. Chairman, this is your border patrol operation?

Mr. FARRELL. It is border patrol and investigations. These are people who come in and overstay their time and will not leave. You ask them to leave and they do not leave so then you tell them if they do not leave by a certain date that you will institute deportation proceedings. In addition to that we have this other group that you

speak of, Mr. Chairman, where we actually had to go through regular hearings and appeals and in many cases into court.

Mr. ROONEY. As to the 7,600 figure, were there formal deportation proceedings in every one of these cases?

Mr. FARRELL. Yes, sir.

NATURALIZATION

There were 1,700,000 aliens who entered the United States as immigrants during the period 1951 to 1957. Only 911,000 persons were naturalized during the period 1956 to 1962, which means there are here about 789,000 of those who are now eligible for naturalization, if they can qualify.

127,800 persons became naturalized citizens during fiscal year 1962 and the Service processed thousands of other types of naturalization and citizenship applications. The Service is continuing, of course, to help with the adult education courses around the country. We are trying to help these people learn about our country and to help them prepare for citizenship. We are also very active as we always have been in trying to make the citizenship ceremonies more meaningful and to work with the courts around the country and with the various patriotic organizations that are helping in this great work.

BORDER PATROL

The border patrol apprehended 30,686 persons during the past fiscal year. The number of surreptitious entries was held down and a large part of those who entered without inspection were taken into custody close to the border and within a reasonable length of time after the entry.

The use of aircraft and radio equipped jeeps and drag trails has proved essential for border patrol operations, particularly on the Mexican border. We have been concerned because of a drought that they had in that area in the northern part of Mexico and also because there have been farm labor shortages in New Mexico and in Colorado and in Texas and we feel that the border patrol will be under considerable pressure during the coming fiscal year.

Crewmen desertions are still a great problem, not only in the United States, but there are a number in Canada now and they present a problem for us because many of them will try to enter the United States illegally.

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INVESTIGATIONS

The total number of investigations conducted during the past fiscal year is less than that of the previous year. There were approximately 50,000 investigations but emphasis was placed on the priority type of investigation, those concerning known racketeers and subversives and people in the narcotic area. We have worked on such cases as Salvatore Maneri and Michele Abati and Simone Scozzari, who was one of the men who attended the Apalachin crime convention. All of these have been deported.

In the subversive area we recently were able to put Nydia Luthy, a college professor in Ohio under deportation and we managed to get Gus Polites, who was rather a well-known Communist of Detroit, Mich., out of the country just about a week ago

RECORDS

In the area of records we have learned to expect increases in records activities as increases in inspection and application work develop and as the alien population grows.

Last year 500,573 new files were prepared and 3½ million index searches were made. As a result of the alien registration program in January of 1962, 3,128,765 aliens registered.

The service installed 60 mechanical index machines to house the mast index. The index contains 30 million index cards which are being added at the rate of 3 million annually.

The small increase in temporary help we are asking for will pay for the coding, sorting, serializing and matching against the master index of cards which are sent in from the field offices as a result of a purging project. This project is designed to provide additional space for expanding records in field offices and to keep the master index as current as possible.

CHANGES IN LAW

On October 24, 1962, the President signed a law which makes nonquota, skilled specialists and the brothers and sisters and married sons and daughters of U.S. citizens. By December 31, 1962, 1,121 persons had been admitted to the United States under this provision. We estimate an additional 26,000 persons will eventually take advantage of this provision of law.

This law also requires the submission of reports to Congress of the approval of each first preference visa petition, with justification, twice each month while the Congress is in session. These 926 reports have been prepared and it is estimated 8,000 additional will be submitted during the coming fiscal year.

This same act also amends section 244 of the Immigration Nationality Act dealing with suspension of deportations. It simplifies the language and replaces five categories of eligible aliens with two categories. The first category relates to those who have been in the United States for 7 years and can prove good moral character during that period and the second part relates to aliens with aggravated violations of laws who can establish physical presence in the United States and good moral character for 10 years.

This law excludes from its operation deserting crewmen, exchange visitors, citizens of Canada and Mexico and the adjacent islands and we estimate that from our own records that over 4,000 aliens are now eligible to take advantage of that law.

That is all, Mr. Chairman .

PAY ACT COST ABSORPTION

Mr. ROONEY. Mr. Loughran, how much of the pay act costs were absorbed?

Mr. LOUGHRAN. I estimate, Mr. Chairman, that upward of 25 percent are being absorbed. We are eliminating 122 positions, as the Commissioner indicated, for a total amount of $1,151,000.

Mr. ROONEY. Let me get that again. That 25 percent you refer to is for the current year?

Mr. LOUGHRAN. No, not the current year, 1964 fiscal year.

Mr. ROONEY. What about the current year?

Mr. LOUGHRAN. In the current year we are absorbing a somewhat similar percentage. Our postal rate increase is $30,000. We are absorbing that. There are wage board increases, which we are absorbing.

Preparation for the registration of enemy aliens in time of emergency is costing about $80,000 this year, which we are absorbing. These are all items which we have absorbed and we figure that that applies toward the pay act cost. Otherwise we would have had to ask for additional funds for those purposes as well.

We may be able to save some when the 122 patrol inspectors are transferred to positions outside of the Florida area. That is going on now and we are sure it will be completed this fiscal year.

Mr. ROONEY. Do you mean that the whole 122 will be transferred?

Mr. LOUGHRAN. Practically all of them, sir.

We will not run a reduction in force. As vacancies arise, we transfer them.

Mr. ROONEY. Mr. Andretta, listening to this intriguing testimony of Mr. Loughran in which he says they absorb 25 percent, how is it you cannot do half of that in your area?

Mr. ANDRETTA. I will match his 25 percent.

Seriously, we are absorbing very little of the pay cost this year in the Department simply because, as I pointed out before, we, or most of our money is for personal services and in order to pick up enough money to absorb any part of this cost it means you have either got to curtail your litigative expenses or you have to curtail personnel.

We do have a rule that every vacancy that comes up in the Department, there has got to be a certification that it is essential to fill it. Invariably everybody says they need the bodies to do the job.

Mr. ROONEY. How can you explain Mr. Loughran doing what he claims without even a certification?

Mr. ANDRETTA. He has to certify.

Mr. BROWN. He has to certify, too.

Mr. ANDRETTA. He certified to us that it is essential to fill those jobs.

Mr. ROONEY. Has he submitted any certifications?

Mr. ANDRETTA. Yes, on every personnel action that comes through we get a certification from him on it.

Mr. ROONEY. This is amazing, your success in absorbing 25 percent, Commissioner Loughran.

Mr. LOUGHRAN. Mr. Chairman, the elimination of 122 positions and the saving of $1,151,000——

Mr. ROONEY. That is next year. That is not this year. Do you want to leave the record stand?

Mr. LOUGHRAN. We will stand on Mr. Andretta's statement, Mr. Chairman.

CONSTRUCTION

Mr. ROONEY. Let us—what page is this $328,500 for construction?

Mr. LOUGHRAN. Page 16.

Mr. ROONEY. What are the details with regard to this?

Mr. LOUGHRAN. With regard to the construction, sir?

Mr. ROONEY. Yes. Is it in here?

What are the details of the three items, inspection stations, $240,000, border patrol stations, $247,500, and repairs and alterations, $155,700?

INSPECTION STATIONS

Mr. LOUGHRAN. The inspection stations you will find, sir, on page 33, giving the location, one at Easton, Maine, Wild Horse, Mont., Carbury, N. Dak., Neche, N. Dak., Point Roberts, Wash., and Porthill, Idaho. The request is for $240,000 and you will remember that we construct these in conjunction with customs service.

BORDER PATROL STATIONS

For border patrol stations, the request amounts to $247,500 and our request is to construct stations at Trenton, Mich——

Mr. ROONEY. What page will we find this on?

Mr. LOUGHRAN. Page 69, sir, Trenton, Mich., Sanderson, Tex., Fort Hancock, Tex., Campo, Calif., Shelby, Mont., Fort Stockton, Tex., plus a garage at Comstock, Tex.

Mr. ROONEY. And where do we find details of repairs and alterations, for $155,700?

Mr. LOUGHRAN. Page 103, sir. It is also on page 104.

Mr. ROONEY. Do you have information to back up this statement at page 26–103, this broad description of what you would do with this $155,700?

Mr. LOUGHRAN. Which portion, sir?

Mr. ROONEY. The entire thing. I am particularly looking at Port Isabel, Tex., but each one of them. You do not have any money figures here.

Mr. LOUGHRAN. For Port Isabel, Tex., the estimate is for $46,000.

Mr. ROONEY. What is the breakdown of that?

Mr. LOUGHRAN. $5,800 for painting.

Mr. ROONEY. Do you have a list?

Mr. LOUGRAN. Yes, sir.

Mr. ROONEY. We shall insert this statement with regard to Port Isabel, Tex., at this point in the record.

(The statement referred to is included in the overall statement submitted on p. 403.)

REPAIRS AND ALTERATIONS TO IMMIGRATION STATIONS

Mr. ROONEY. You have similar details such as this with regard to each of the items that make up the $328,500?

Mr. LOUGHRAN. Yes, sir.

Mr. ROONEY. You will furnish the committee with copies, if you will.

(The information requested follows:)

Repairs and alterations to immigration stations by stations and projects

	Actual, 1962	Estimate, 1963	Estimate, 1964
(a) Immigration station, San Pedro, Calif.:			
1. Repairs to elevator		400	400
2. Painting		300	1,500
3. Repairs to heating system		400	500
4. Maintenance to plumbing and electrical systems		500	500
5. Landscaping of grounds		300	500
6. Install ceiling lighting			5,000
7. Repairs to boiler	1,017		
8. Maintenance material	517		
Total	1,534	1,900	8,400

Repairs and alterations to immigration stations by stations and projects—Con.

	Actual, 1962	Estimate, 1963	Estimate, 1964
(*b*) Immigration station, Honolulu, Hawaii:			
1. Miscellaneous repairs	80	600	600
2. Painting			1,500
3. Landscaping		500	500
4. Modification of air-conditioning installation	210		
5. Install water heaters	1,153		
6. Maintenance material	102		
Total	1,545	1,100	2,600
(*c*) Immigration station, El Centro, Calif.:			
1. Miscellaneous repairs	488	500	500
2. Painting		1,200	
3. Replace door frames and base shoes		1,300	
4. Repairs to driveway and parking area			1,000
5. Reconstruct pistol range			20,000
6. Repairs to roof	375		
7. Install light at port of entry	393		
8. Install photoelectric system	374		
9. Install pipe waterline	278		
10. Maintenance material	3,123		
Total	5,031	3,000	21,500
(*d*) Detention station, Tampa, Fla.:			
1. Miscellaneous supplies		500	500
2. Miscellaneous repairs	373		
3. Repairs to building	1,509		
4. Install showers, toilets, and hot-water tank	1,940		
Total	3,822	500	500
(*e*) Inspection and detention station, Opa Locka, Fla.:			
1. Miscellaneous supplies		1,000	
2. Repairs to building 64	19,580		
3. Exterior day area for detainees	2,835		
4. Air conditioning, building 64	2,815		
5. Repairs to building 65	20,973		
6. Replace roof, building 65	1,400		
7. Air conditioning, building 65	4,973		
Total	52,576	1,000	
(*f*) Detention station and sector headquarters, El Paso, Tex.:			
1. Miscellaneous repairs	201	400	1,000
2. Painting		800	2,200
3. Protective cement block for sump pump		300	
4. Renovation of guard towers			1,000
5. Electric door safety device			300
6. Miscellaneous repairs, pistol range		500	500
7. Maintenance material	4,139		
Total	4,340	2,000	5,000
(*g*) Sector headquarters, McAllen, Tex.:			
1. Miscellaneous repairs		500	500
2. Repairs to buildings		1,000	1,500
3. Painting		1,000	
4. Maintenance material	500		
Total	500	2,500	2,000
(*h*) Sector headquarters, Marfa, Tex.:			
1. Miscellaneous repairs	86	400	400
2. Painting		600	1,500
3. Replace space heaters		2,800	
4. Replace garage doors			400
5. Erect cover over filling station island			400
6. Erect vehicle shed			2,800
7. Paving			2,000
8. Replace flagpole			700
9. Replace gasoline pump			200
10. Maintenance material	570		
Total	656	3,800	8,400

Repairs and alterations to immigration stations by stations and projects—Con.

	Actual, 1962	Estimate, 1963	Estimate, 1964
(i) Sector headquarters, Laredo, Tex.:			
1. Miscellaneous repairs	75	500	2,500
2. Painting		1,500	1,500
3. Renovation of refrigeration system			1,000
4. Replace car shed roof			1,200
5. Install asphalt apron for aircraft	150		
6. Maintenance material	221		
Total	446	2,000	6,200
(j) Sector headquarters, Del Rio, Tex.:			
1. Miscellaneous repairs	165	300	800
2. Repair asphalt paving			1,200
3. Replace underground water pipe			500
4. Maintenance material	89		
Total	254	300	2,500
(k) Sector headquarters, Tucson, Ariz.:			
1. Miscellaneous repairs	173	500	500
2. Maintenance material	111		
Total	284	500	500
(l) Sector headquarters, Yuma, Ariz.:			
1. Miscellaneous repairs		500	500
2. Resurface paved area	315		2,500
3. Install photoelectric system	148		
4. Install light fixtures and ceiling tile	261		
5. Maintenance material	120		
Total	844	500	3,000
(m) Sector headquarters, Chula Vista, Calif.:			
1. Miscellaneous repairs	355	500	500
2. Additional wiring to electrical system		7,800	
3. Miscellaneous supplies	832		
Total	1,187	8,300	500
(n) Border patrol stations:			
1. Blythe, Calif	238	200	300
2. Bottineau, N. Dak	2,931		300
3. Carrizo Springs, Tex	449	200	200
4. Comstock, Tex	394		600
5. Cotulla, Tex	117	500	300
6. Eagle Pass, Tex	728	300	500
7. El Cajon, Calif			1,200
8. Falfurrias, Tex	214	200	500
9. Fort Hancock, Tex	50		
10. Grand Marais, Minn	265		300
11. Hamlin, Maine			200
12. Harlingen, Tex	813		23,700
13. Hebbronville, Tex	338	900	800
14. Indio, Calif	378	2,600	900
15. International Falls, Minn	621		300
16. Jackman, Maine			200
17. Las Cruces, N. Mex		900	300
18. Lordsburg, N. Mex		500	700
19. Kingsville, Tex	495	200	200
20. Mercedes, Tex	912	200	200
21. Oceanside, Calif		300	800
22. Port Huron, Mich	121		200
23. Presidio, Tex		200	1,200
24. Rio Grande City, Tex	811	200	300
25. Sierra Blanca, Tex		500	700
26. Temecula, Calif		200	200
27. Warroad, Minn	371		300
28. Whitefish, Mont	1,680		200
29. Zapata, Tex	537	800	300
Total	12,463	8,900	35,900
(o) Border Stations:			
1. Antler, N. Dak			200
2. Bridgewater, Maine	6	200	500
3. Carbury, N. Dak			200
4. Columbus, N. Mex	221	900	200
5. Del Bonita, Mont			1,200
6. Fabens, Tex	48	300	300
7. Falcon Heights, Tex		200	200

Repairs and alterations to immigration stations by stations and projects—Con.

	Actual, 1962	Estimate, 1963	Estimate, 1964
(o) Border stations—Continued			
8. Fort Hancock, Tex		100	100
9. Fortuna, N. Dak			200
10. Hamlin, Maine	145	200	200
11. Hannah, N. Dak			200
12. Hansboro, N. Dak			200
13. Lancaster, Minn			200
14. Lukeville, Ariz	179	200	200
15. Lynden, Wash	41	200	1,600
16. Maida, N. Dak			200
17. Morgan, Mont	150		200
18. Neche, N. Dak	129	200	
19. Northgate, N. Dak	3	200	200
20. Opheim, Mont			200
21. Pembina, N. Dak	43		
22. Pinecreek, Minn	355	500	500
23. Pittsburg, N.H	650		200
24. Presidio, Tex	2,266	300	1,300
25. Roseau, Minn	115	200	200
26. Sarles, N. Dak			200
27. Turner, Mont	8,395	200	600
28. Walhalla, N. Dak			200
29. Warroad, Minn			200
30. Ysleta, Tex	443	300	800
Total	13,189	4,200	10,700
(p) Port Isabel, Tex.:			
1. Install electric pole	92		
2. Relocate powerlines	2,454		
3. Painting	323	5,800	5,800
4. Repairs to air-conditioning system	209	15,400	15,400
5. Maintenance to plumbing and electrical system		9,600	9,600
6. Repairs to roofs and windows	376	6,000	6,000
7. Lawn supplies		1,200	1,200
8. Maintenance to water, gas, and sewer systems		4,000	4,000
9. Repairs to driveway and parking area		2,000	2,000
10. Miscellaneous repairs	4,083	2,000	2,000
11. Repair boiler—building 3	1,519		
12. Maintenance material	29,326		
13. Air conditioner compressor	574		
14. Badger turbine meters	579		
15. Install gasline	89		
16. Install security chain link fence	1,547		
17. Install poles for fence lighting	312		
18. Plumbing installations	448		
19. Landscaping	720		
20. Conversion of buildings 4, 38, and 39	84,699		
21. Install heating duct and unit—buildings 61 and 65	495		
Total	127,845	46,000	46,000
(q) Repeater stations, towers, and housing units:			
1. Caballo Mountain, N. Mex		100	
2. Calexico, Calif			800
3. Carrizo Springs, Tex		100	
4. Chinati Peak, Tex		100	100
5. Faysville, Tex	245		
6. Laredo, Tex		1,400	
7. Long Ridge, N. Mex		200	
8. Lyford, Tex			300
9. Mount Cunningham, Ariz		100	
10. Mount Graham, Ariz		200	
11. Mount Lemmon, Ariz	475	200	
12. Ozona, Tex			100
13. Pyote, Tex		200	
14. Quitman Peak, Tex		200	
15. Rio Grande City, Tex			300
16. Riviera, Tex	360		300
17. Saddle Gap, Ariz			100
18. Sanderson, Tex		100	
19. Silver City, N. Mex		200	
20. White Tank Mountain, Ariz		100	
21. Juno, Tex	75		
22. Santiago Peak, Calif	90		
23. Sonora, Tex	40		
Total	1,285	3,200	2,000
Grand total	227,801	89,700	155,700

d. Border inspection stations, increase $240,000

There is an urgent need for more suitable buildings and adjunct facilities for the inspection of aliens entering the United States across the land boundaries. At many locations the only quarters available for immigration and customs inspection are in rented buildings so situated that inspection is accomplished only by voluntary appearance of the entrant. It is estimated that approximately 25 percent of border crossers in these areas fail to make their appearance at the inspection point. At other places the buildings are inadequate and disgraceful in appearance.

A complete listing of required projects and estimated costs has been developed in cooperation with the Bureau of Customs under the guidance of the Bureau of the Budget. New or enlarged inspection facilities are required at 27 locations where action can be taken by the 2 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 Bureau of Customs and Immigration and Naturalization Service 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. This estimate provides for construction at six locations during the fiscal year 1964.

When actual construction takes place the cost will vary from one location to another depending on local pay scales, subsurface conditions, availability of utility lines, site preparation, etc. However, the overall estimate has been developed on the basis of average conditions as follows:

	Square feet	Unit	Amount
Station building	1,100	18	$20,000
Canopy	500	13	6,500
Site, utility installation, etc.			10,000
Grading, approaches and driveways			10,000
Total for station without living quarters			46,500
Cottage	1,200	15	18,200
Garage	288	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 1964 is summarized as follows:

Location	Cost of station	Cottages		Appliances	Total cost	I. & N. cost
		Number	Amount			
1. Easton, Maine	$46,500	2	$40,000	$3,500	$90,000	$45,000
2. Wild Horse, Mont	46,500	2	40,000	3,500	90,000	45,000
3. Carbury, N. Dak	46,500	2	40,000	3,500	90,000	45,000
4. Neche, N. Dak	49,000			1,000	50,000	25,000
5. Point Roberts, Wash	46,500	2	40,000	3,500	90,000	45,000
6. Forthill, Idaho		3	66,250	3,750	[1] 70,000	[1] 35,000
Total	235,000		226,250	18,750	480,000	240,000

[1] Including site improvements and utilities.

1. *Easton, Maine.*—The present station is located 1 mile from the border in dilapidated leased quarters, unfit for habitation. In addition, the station is on the wrong side of the highway for properly conducting inspections. Approximately 33,000 persons enter this port annulally. Port hours are 7 a.m. to midnight and it is manned by two customs officers. It is proposed to construct a new office building and two cottages for personnel.

2. *Wild Horse, Mont.*—The present station is located in a trailer. Approximately 13,000 persons enter this port annually. Port hours are 9 a.m. to 10 p.m., May 15 through September 30 and 9 a.m. to 6 p.m., October 1 through May 14. The station is manned by two immigration officers. It is proposed to construct an office building and two cottages for personnel.

3. *Carbury, N. Dak.*—The present station is located in a small rented frame building without modern conveniences about 8 miles from the border. There are two lateral roads intersecting the highway between the inspection station and the border. Approximately 18,000 persons enter annually. Port hours are 9 a.m. to 10 p.m., and it is manned by one immigration officer and one customs officer. The Government owns a 5-acre tract at the border. It is proposed to construct an office building and two cottages for the personnel on this site.

4. *Neche, N. Dak.*—Inspections are presently conducted in a badly deteriorated Government-owned building near the border. Because of a highway relocation, the station is approximately 150 feet from the highway proper which necessitates a detour of traffic for inspection. Approximately 130,000 persons enter at this port annually. Port hours are 8 a.m. to midnight, and it is manned by two immigration officers and two customs officers. It is proposed to construct a new station at the border.

5. *Point Roberts, Wash.*—The present facility consists of a small frame shack near the border, grossly inadequate for an inspection station. It lacks such essentials as water and toilet facilities. Approximately 650,000 persons enter through the port annually. The station is manned by two customs officers from 8 a.m. to midnight. It is proposed to construct a new office building and two residences.

6. *Porthill, Idaho.*—The highway in this area has been relocated. The General Services Administration has requested funds for the fiscal year 1963 for constructing a new station building only. Approximately 116,000 persons enter through this port annually. The station is manned by one customs officer and two immigration officers from 7 a.m. to 11 p.m. It is proposed to convert the present port building into a residence and construct two new residences. Porthill has approximately 10 houses and 50 to 60 people. Officers presently commute as far as 30 miles each way.

Border patrol stations, increase $247,500

Some border patrol officers have been housed for years in most inadequate quarters. There are 22 border patrol stations in the long-range program scheduled for construction under authority available to the Immigration and Naturalization Service (the act of June 26, 1930, as amended). A program has been adopted for accomplishment of seven projects in the fiscal year 1964; five in 1965; five in 1966, and five in 1967. It is planned to construct stations at a cost of $40,000 each at Trenton, Mich., Sanderson, Tex., Fort Hancock, Tex., Campo, Calif., Shelby, Mont., Fort Stockton, Tex., plus a garage at Comstock, Tex., at a cost of $7,500 during the fiscal year 1964.

The 1964 border patrol station construction program is summarized hereunder.

BORDER PATROL STATIONS (1964)

Trenton, Mich.—The present station is located in leased space consisting of one small office. There are no provisions for the interrogation of suspects or the temporary detention of aliens. These inadequate quarters have been tolerated only because not other suitable space is available. Five 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.

Sanderson, Tex.—There are no provisions for the interrogation of suspects or the temporary detention of aliens in the present station which is located in leased space consisting of one small office. No other suitable space is avialable. Five officers are assigned to the station. A new station and a garage having the required minimum facilities, will be constructed.

Fort Hancock, Tex.—The present station is located in unsatisfactory leased space. There are no provisions for the interrogation of suspects or the temporary detention of aliens. These inadequate quarters have been tolerated only because no other suitable space is available. Four officers are assigned to the station. It is proposed to construct a new station having the required minimum facilities, including a garage.

Campo, Calif.—Two rooms of a temporary frame building acquired from an abandoned World War II military base house the present station. These inadequate quarters have been tolerated only because no other suitable space is available. Eight officers are assigned to the station. Construction of a new station having the required minimum facilities, including a garage is proposed.

Shelby, Mont.—The present station is located in unsatisfactory leased space which has been tolerated only because no other suitable quarters are available. Four officers are assigned to the station. A new station having the required facilities, including an attached garage will be constructed.

Fort Stockton, Tex.—The present station is located in the courthouse and is inaccessible to the public on weekends. There is no provision for the temporary detention of aliens. No other suitable space is available. Five officers are assigned to the station. A new station and a garage, having the required minimum facilities, will be constructed.

Comstock, Tex.—At the time that a new station was constructed at this location in 1960, it was necessary to delete the garage from the project because of cost limitations then in effect. It is proposed to construct a garage, having the minimum facilities, to complete the project.

ACCELERATED PUBLIC WORKS PROGRAM

Mr. ROONEY. With regard to this item for construction, $328,500, did you receive any money this year other than from your regular appropriation for these purposes?

Mr. LOUGHRAN. Yes, sir. It is under the public works program of the Commerce Department. My recollectioon is it was $500,000.

Mr. ROONEY. For what?

Mr. LOUGHRAN. To construct border patrol stations in economically distressed areas. They have not been done yet. They are in process.

Mr. ROONEY. Is this out of Area Redevelopment Administration?

Mr. LOUGHRAN. Yes it comes through the Department of Commerce.

Mr. ROONEY. Maybe we ought to get them to build all of these and forget about this subcommittee and the Treasury and Post Office Subcommittee.

Mr. LOUGHRAN. There are cerain requirements which must be met, such as being ready almost immediately to start construction and to complete it within a few months—15 months or 18 months.

Mr. ROONEY. Do you have a border patrol station presently at Fresno, Calif.?

Mr. LOUGHRAN. Yes, sir.

Mr. ROONEY. How far is that from the border?

Mr. LOUGHRAN. Well, it is a fair distance. It is up in the San Joaquin Valley, but you have a large number of aliens up that way. Fresno is about 2 hours by air southeast of San Francisco and about the same north-northeast of Los Angeles and I am sure it is all-year farming.

PROJECTS CLEARED BY ARA

Mr. ROONEY. I think it might be interesting if we inserted this statement as to the cost of the projects at this point in the record.

(The statement follows:)

Projects cleared by ARA, Jan. 2, 1963

Project and location	Eligible area	Estimated cost
Border patrol station, Gila Bend, Ariz	Maricopa County, 5(b)	$44,000
Border patrol station, Campo, Calif	San Diego County, LS	44,000
Border patrol station, Fresno, Calif	Fresno County, LS	44,000
Six residences, border stations, Eastport and Porthill, Idaho	Boundary County, 5(b)	155,000
Border patrol station, Niagara Falls, N.Y	Niagara County, LS	44,000
Border patrol station, Sanderson, Tex	Terrell County, 5(b)	44,000
Garage at border patrol station, Comstock, Tex	Valverde County, 5(b)	9,000
Border patrol station, Bellingham, Wash	Whatcom County, LS	44,000
Border patrol station, Lynden, Wash	Do	44,000
Border patrol station, Colville, Wash	Stevens County, 5(b)	28,000
Total		500,000
Summary:		
Area, 5(b)		280,000
Area, LS		220,000
Total		500,000

NOTE.—In the above list the border patrol projects at Campo, Calif., and at Sanderson and Comstock, Tex., and 2 cottages at Porthill, Idaho, were originally scheduled in the regular program budget for the fiscal year 1964. If these projects are committed prior to July 1, 1963, under the public works acceleration program, it is planned to reschedule the regular program to include a border patrol station and 3 cottages at Browning, Mont., and a cottage project at Sasabe, Ariz. These are authorized projects heretofore scheduled for the 1965 budget.

Mr. ROONEY. Have you received this $500,000 by way of transfer from Area Redevelopment?

Mr. LOUGHRAN. Yes, sir.

Mr. ROONEY. What are you doing about it at the moment?

Mr. LOUGHRAN. We are in the process of finishing off our plans and getting the sites.

Mr. ROONEY. Have you expended money on the plans?

Mr. LOUGHRAN. We do our own plans.

Mr. CEDERBERG. Could I ask a question there, Mr. Chairman?

Mr. ROONEY. Yes.

Mr. CEDERBERG. How did you determine which areas these particular projects should go in? What was the criteria?

Mr. FRANCIS. The area are set by the Commerce Department. If we have a project within the areas designated by them, then it becomes eligible for consideration under this act.

REIMBURSEMENTS

Mr. ROONEY. Did you receive any money from any other Government agency or source other than this?

Mr. LOUGHRAN. No, only our regular reimbursements.

Mr. ROONEY. Do you have a statement on that?

Mr. LOUGHRAN. Nothing for construction, sir.

Mr. ROONEY. It might be well if we insert it at this point in the record. Is there a schedule of reimbursements for 1962 in these justifications?

Mr. LOUGHRAN. Yes, sir.

Mr. ROONEY. Will you tell us what page that is, please?

Mr. FRANCIS. 26.6, sir.

Mr. ROONEY. This concerns one of my planned subsequent questions. I now see the answer to one of the questions I had in mind as to whether or not there was a decrease in the payments by the transportation companies on the amount they pay for inspection overtime. Why do they not pay all of this, including the $1,798,600, which would mean an increase of $168,500, referred to at page 26.36?

Mr. LOUGHRAN. The transportation lines, sir, if I understand your question correctly, do not pay all this money because when carriers arrive on schedule the Government has to pay it.

Mr. ROONEY. If they are on schedule; when you say "schedule," you mean their schedule, your schedule, or whose schedule?

Mr. LOUGHRAN. On the line's published schedule. For example, at Idlewild, New York, as you know, planes arrive on Sundays and holidays. They are on schedule but all of our immigrant inspectors are entitled under the 1931 act to the overtime payment prescribed in that law.

Mr. ROONEY. Why is it that the Government would pay them rather than the lines?

Mr. LOUGHRAN. Because the law so states, that if they are on schedule——

Mr. ANDRETTA. The presumption is when you have a schedule that you set up your work hours and your details so that you can meet these schedules so the people will get a differential rather than overtime, for example.

Mr. ROONEY. This refers primarily to the airlines, not to the shipping companies?

Mr. LOUGHRAN. Yes, sir.

Mr. ROONEY. We have gotten away, law or no law, from a situation where all the overtime was paid for by steamship companies. That is about a fair statement going over a number of years, is it not? It goes back quite a few years ago. It goes back 15 years.

Mr. LOUGHRAN. Yes, sir.

Mr. ROONEY. The inspector is entitled to his overtime. But the airline people are benefiting by this more than the the shipping people?

Mr. LOUGHRAN. Mr. Chairman, it is written into that law. The immigrant inspectors are entitled to this overtime if they work any portion of any Sunday or any holiday. If they work prior to 8 a.m. or after 5 p.m. on any regular workday, when they are held over for an overtime period, they are entitled to overtime.

This is a cumbersome statement but if a man's tour of duty was from 8 a.m. to 4 p.m., and because flights were coming in late and he was held over till after 5 p.m., he would be entitled to his overtime. This is the way it has always been. If a man is called out from his residence, for example, after his daily tour of duty at any time of night to come to one of our ports of entry and do inspection, he is entitled to overtime under the act.

Mr. ROONEY. Paid by whom?

Mr. LOUGHRAN. For example, if the plane is off schedule, it is paid by the carrier. If it is on schedule, it is paid by the Government.

AIRCRAFT REPLACEMENT

Mr. ROONEY. What is the situation with regard to airplane replacements? I see you ask for eight rather than five in fiscal year 1964.

Mr. LOUGHRAN. We operate 46 aircraft in the Service, all by the border patrol; 6 are transport planes which we acquired from the military and 14 of the planes are T–34's which we have been using in Florida on departure control enforcement. Four of the planes are a type which will not require normal replacement for a number of years, but as for the remainder, the 22 planes, 4 years have proven to be the maximum period of operation before a replacement is necessary. These eight Piper Super Cubs, which we are planning to purchase, would replace planes——

Mr. ROONEY. Piper Cubs?

Mr. LOUGHRAN. Piper Cubs.

Mr. ROONEY. Do you have a statement with regard to the hours on the Piper Cubs you propose to replace?

Mr. LOUGHRAN. May I furnish one for the record, Mr. Chairman? There are seven Pipers and one Cessna that we plan to replace, sir.

Mr. ROONEY. Do you have a statement with regard to the hours on those?

Mr. LOUGHRAN. Yes, sir. May I submit it for the record?

Mr. ROONEY. Please submit it at this point in the record, the date the machine left the factory, the date you acquired it, and the number of hours it has been used. Will you do that?

Mr. LOUGHRAN. Yes, sir.

(The requested information follows:)

Aircraft replacement, fiscal year 1964

Plane No.	Date acquired [1]	Total flight hours January 31, 1963	Projected flight hours to disposal March 31, 1964 [2]
N3180Z	Jan. 6, 1960	2,918	3,900
N3092Z	Nov. 9, 1959	2,901	3,900
N3089Z	Nov. 19, 1959	2,970	3,900
N3099Z	Jan. 6, 1960	2,798	3,800
N3098Z	Feb. 1, 1960	2,385	[3] 2,400
N3085Z	Oct. 21, 1959	2,334	3,300
N2994Z	Oct. 20, 1959	2,512	3,500
N9111T	Sept. 18, 1959	2,279	3,300

[1] Allplaneswere accepted at factory on date of acquisition.
[2] Replacement standard of 2,000 hours or 4 years has been changed to standard of 4 years only.
[3] Due to operational deficiencies, this particular plane not suitable much beyond present hours.

PORT RECEPTIONISTS

Mr. ROONEY. What is the present situation with regard to port receptionists? How many of those do you have? The figure in this book is 58. Is that correct?

Mr. LOUGHRAN. The 58, sir, are positions. We have on duty now, approximately 40.

Mr. ROONEY. How many did you have on last year?

Mr. LOUGHRAN. About this time a year ago my recollection is that we had almost 60.

Mr. ROONEY. What page is that on? 26–36?

Mr. LOUGHRAN. 26.7; 58 positions.

Mr. ROONEY. How do you continue to carry the figure 58 when all this committee ever approved, if I recall correctly, was 12?

Mr. LOUGHRAN. Sir, I had a recollection, apparently erroneous, of this committee having approved 58 or 60.

Mr. ROONEY. I am sure that is erroneous.

Mr. LOUGHRAN. I would have to go back and look at our previous records. A few years ago when we submitted the detail with respect to——

Mr. ROONEY. You remember we had a long colloquy on this subject a couple of times, Mr. Loughran. If my memory serves me correctly, it started with three port receptionists; one for New York, Los Angeles, and another one for Miami. Next year they asked for three or four more; and then the third year three more, or something like that, and the total was about 12.

Lo and behold, we found the General had about 70 on the payroll.

I am wondering how we keep this figure here 58? What is the money figure with regard to the 58?

Mr. LOUGHRAN. May I submit that for the record, Mr. Chairman?

Mr. ROONEY. Mr. Loughran, I am sure you remember the testimony with regard to the 1962 budget entitled at page 648 of the printed hearings, "Amazing history of port receptionists."

Mr. LOUGHRAN. Yes, sir. I remember we had previous lengthy discussions with reference to them. I am not sure I remember all of the details, sir.

Mr. ROONEY. You remember there was quite a discrepancy between the number of receptionists on the payroll and the number that was presented to this committee?

Mr. LOUGHRAN. Yes, sir; but I thought I had given an explanation as to that number. As I recall, it was——

Mr. ROONEY. I think we indicated that the explanation was wholly inadequate to explain how 12 people became 74.

Mr. LOUGHRAN. Mr. Chairman, I apparently misunderstood the committee. I thought that we were permitted to have on duty around 40 port receptionists.

Mr. ROONEY. No, no.

Mr. LOUGHRAN. As a result of last year's discusion——

Mr. ROONEY. What is the money involved here?

Mr. LOUGHRAN. May I submit it for the record, sir?

Mr. ROONEY. Very well. Including personal services and all other objects.

Mr. LOUGHRAN. Yes, sir.

Mr. ROONEY. Everything that concerns these 58 positions which you say now are 40?

Mr. LOUGHRAN. On duty, sir.

(The requested information follows:)

Cost of 58 port receptionists positions

	1963	
	Number	Amount
Salary at the October 14, 1962, rate:		
GS-9 at $6,677	2	$13,354
GS-7 at $5,554 to $5,741	4	22,777
GS-5 at $4,576 to $5,366	52	243,855
Budget round-off		+14
Subtotal	58	280,000
Other benefits:		
Uniform allowance at $100		5,800
Life insurance Government contribution $300,000 at $125 per thousand per pay period times 26 pay periods		1,000
Health insurance Government contribution at $33.80 each per year		2,000
Retirement contribution:		
6½ percent of base pay		18,200
Subtotal		27,000
Grand total		307,000

PROPOSED RENTAL OF AIRPORT SPACE

Mr. ROONEY. At page 26–36, we find a requested $500,000 for airport space which you say was authorized by Public Law 87–255 approved September 20, 1961. There were no funds in the 1962 budget, which was the budget in that year; to wit, last year's budget, for this purpose, was there?

Mr. LOUGHRAN. No, sir.

Mr. ROONEY. Had you asked the Bureau of the Budget to approve funds under this public law?

Mr. LOUGHRAN. Yes, we did this year.

Mr. ROONEY. No; in the 1962 budget did you ask for a supplemental?

Mr. LOUGHRAN. Yes, we did.

Mr. ROONEY. Did the Bureau of the Budget approve your request?

Mr. LOUGHRAN. No, sir.

It was not approved for any Federal agency at that time.

Mr. ROONEY. What are the details of this $500,000? Where do we find that, if it is in these justifications?

Mr. LOUGHRAN. May I tell you that we have 71 airports where we occupy space of approximately 76,700 square feet. As a result of surveys, we arrived at an estimated average square-foot cost of $6.53.

Mr. ROONEY. Why should the American taxpayer pay anything for your space in an airport?

Mr. LOUGHRAN. I understood, sir, the law required it; Public Law 87–255.

Mr. ROONEY. The law merely authorizes it. You are now here for the money and we would like to hear why the taxpayer should spend any money for a Federal service at an airport, which is of benefit to the airport, the operators, and all the transportation companies using that airport, particularly since the Federal Government paid a substantial part of the cost for erection of the buildings and the landing field at each one of these airports. Do you think this is good business?

Mr. LOUGHRAN. I have no answer, sir.

Mr. ROONEY. I think that is all.
Mr. Sikes?

PAY ACT COST ABSORPTION

Mr. SIKES. I would like some additional information on the colloquy between the chairman and the witness a little while ago about the amount of the increase in pay which has been absorbed within the Department. Possibly I did not understand the answers.

Mr. ANDRETTA. On the absorption on the pay raise?

Mr. SIKES. Yes.

Mr. ANDRETTA. You talked about this current year or the next estimate?

Mr. SIKES. Both.

Mr. ANDRETTA. The net cost is in for next year, 1964. I do not think there is any absorption in that at all. We just projected the annual cost of that pay raise to next year. In the present fiscal year we are only absorbing about $200,000 in the whole Department out of the $11 million cost. The reason for that, as I mentioned before, Mr. Sikes, is that most of the cost of the operations of the Department of Justice is for personal services. In order to create any savings in our operations, we would have either to reduce personnel or not fill vacancies. We have the kind of an operation where we have to have personnel to meet these things as they come up from day to day and we have no way of controlling our work or programing. We cannot just say that tomorrow we will cut our staff in half, or not fill vacancies, because then the public service suffers. The Budget Bureau recognizes that invariably when there has been a pay raise bill they never ask us to absorb too much of the cost of it.

Mr. SIKES. How does your situation differ from this, Mr. Loughran?

Mr. LOUGHRAN. Mr. Congressman, it was an entirely different concept that I had. There are certain items where we are absorbing the cost and I figured that that would apply toward the absorption of the pay increase. From the discussion here with the committee, my concept apparently is wrong.

Mr. SIKES. You have made reductions?

Mr. LOUGHRAN. We have absorbed certain costs, sir.

Mr. SIKES. You are attempting to hold down your cost of operation to offset this increased cost of personnel?

Mr. LOUGHRAN. Yes, sir.

Mr. SIKES. You have done that not by eliminating positions but in other ways, or by both?

Mr. LOUGHRAN. By both, sir.

For next year, I was applying in my mind the reduction of the cost, or the reduction of 122 positions, which amounted to $1,151,000 for the 1964 fiscal year toward absorption of the pay cost.

Mr. SIKES. That is all.

Mr. ROONEY. Mr. Slack?

COMPETITIVE BIDS FOR CONSTRUCTION

Mr. SLACK. In the construction of new inspection stations and control stations, and so forth, are all of those awarded on a competitive bid basis?

Mr. LOUGHRAN. Yes, sir.

Mr. SLACK. No negotiation?

Mr. LOUGHRAN. No negotiation whatsoever. We solicit bids in the general area, maybe for a few hundred miles radius around the location.

Mr. SLACK. Thank you very much; that is all.

Mr. ROONEY. Mr. Bow?

PAY INCREASE AND SAVINGS

Mr. Bow. On this question of absorbing costs, I am a little bit confused. The Attorney General in his statement said, and this I quote:

* * * You may be pleased to know that these increases are offset partially by reduction of 122 positions in the Immigration and Naturalization Service staff. There will be a savings of $1,151,000 * * *

That is after he talked about increases in other areas of the Justice Department. I understand that you are asking for an increase of somewhere around $6 million?

Mr. ROONEY. $6,595,000.

Mr. Bow. Plus the supplemental?

Mr. ROONEY. No; that is including that, $5,950,000.

Mr. Bow. In addition to that, you have to add this $1,151,000?

Mr. LOUGHRAN. If we did not reduce the force, yes, sir.

Mr. Bow. You are actually getting this increase over and above what you had before, are you not?

Mr. LOUGHRAN. Yes, sir.

Mr. Bow. You are taking off $1,151,000 so your increase is actually more than is shown by this record in your operations?

Let us assume you did not ask for any increase and you took this deduction; then you would show a savings?

Mr. LOUGHRAN. Yes, sir.

Mr. Bow. But your increase now is up to $5,950,000 so you really should have to include this in addition to that $1,950,000?

Mr. ANDRETTA. That is your gross increase.

Then you subtract the savings and you apply that——

Mr. Bow. In other words, we take the gross you are asking for and take the $1,151,000 from it?

Mr. ANDRETTA. I am talking about the net increase over the base for this year.

Mr. Bow. I am talking about the total cost of operation of the Immigration and Naturalization Service. I cannot help but believe you are actually getting an extra $5,950,000 plus $1,151,000; is that right?

Mr. LOUGHRAN. No, sir.

Mr. Bow. Explain it to me.

Mr. LOUGHRAN. Sir, in the 1964 fiscal year the total cost of both, let me call them pay increases, you may recall one was due in October 1962 and that amounted to $2,339,000. Then there is another one due, effective January 5, 1964, and that is $2,412,000. We have a total payroll cost increase approaching 1964 of $4,751,000 and that is after the $1,151,000 has been deducted from our total appropriations as a result of the savings of 122 positions.

Mr. Bow. What are these 122 positions?

Mr. LOUGHRAN. Border patrolmen, sir.

Mr. Bow. Are they being separated from the Service?

Mr. LOUGHRAN. No. sir. We are transferring them to vacancies, as vacancies arise. As you may recall, they are stationed in Florida and——

Mr. Bow. What is your authorized employment of border patrol now?

Mr. LOUGHRAN. 1,467 positions, after setting off the reduction.

Mr. Bow. How many do you have on board now?

Mr. LOUGHRAN. 1,372 patrol inspectors, plus 62 pilots. Our reduction of 122 positions is comprised of 111 patrol inspectors and 11 airplane pilots.

Mr. Bow. For 1964 fiscal year, what will be your authorized strength of border patrol and pilots?

Mr. LOUGHRAN. The authorized strength for 1964 border patrolmen is 1,467 positions and pilots, 51 positions.

Mr. SIKES. Will you yield at that point?

Mr. Bow. Yes.

Mr. SIKES. What were the considerations upon which you were able to make a reduction of 122 positions?

Mr. FARRELL. We found as a result of the work done by this group of 155, that we were able to move in with our regular force of investigators and immigrant inspectors and border patrolmen as needed. By the use of the informant system that they had set up, we found that we could handle the whole thing with the regular force. It was a situation where we had people cooperating with us at some of the abandoned airfields, and at some of the regular airfields. People who were flying had private planes, and it was really a situation where we had the regular men stationed in the area keeping in contact with reliable people. That is, people we had relied on in the past and found confidence worthy. We have been able to control the whole situation and feel we can continue to do this.

Mr. SIKES. Can the committee anticipate an additional reduction in the number of positions?

Mr. FARRELL. I do not see how we can do that, Mr. Congressman. We have cut it back as far as we could. This was a result of an on-the-job study over quite a period of time.

Mr. Bow. Was this 122 buildup because of the emergency down in Florida?

Mr. FARRELL. Yes.

Mr. Bow. In other words, what you are doing is getting rid of people you had taken on because of the emergency?

Mr. FARRELL. Yes, sir; transferring them to vacancies.

Mr. Bow. People who were hired at the time?

Mr. FARRELL. They were hired; yes, sir.

Mr. Bow. For this particular purpose?

Mr. FARRELL. Yes, sir.

Mr. Bow. This is not a substantial and actual cut of 122 people out of the regular Service over a period of years?

Mr. FARRELL. No, sir.

Mr. LOUGHRAN. Mr. Bow, you may recall we put experienced men into the Florida area.

Mr. BOW. Yes; I understand that.

Mr. LOUGHRAN. We recruited new patrolmen and spread them on the border.

Mr. BOW. This was brought about because of the Cuban emergency that you increased at that time for this amount, and now you are simply going back to somewhat your regular operation?

Mr. LOUGHRAN. Yes, sir.

Mr. MARRELL. Most of them came from Texas.

Mr. ROONEY. Plus the fact these men now have had experience in the work of your Service and are of some value to you.

Mr. FARRELL. That is correct.

Mr. ROONEY. By taking the plan you have adopted, you want to save those men for your Service because of their experience?

Mr. LOUGHRAN. Yes, sir.

Mr. ROONEY. And performance in the Cuban matter, right?

Mr. LOUGHRAN. Yes, sir.

Mr. BOW. And filling vacancies with them as the vacancies occur?

Mr. LOUGHRAN. Yes, sir.

Mr. BOW. When do you think these vacancies will occur; how soon will you have this attrition?

Mr. LOUGHRAN. I think by the end of this fiscal year.

SERVICE RESPONSIBILITY RE CUBAN REFUGEES

Mr. BOW. I would like to have you tell me a little bit about the responsibilities of the Immigration and Naturalization Service in this Cuban situation. What do you do? What is the actual responsibility of your Service in handling refugees out of Cuba?

Mr. LOUGHRAN. You may recall, Mr. Congressman, that prior to this past October, there were two flights out of Havana per day. Each flight carried between 100 and 115 passengers. They would land at Miami and the great majority of them, or practically all of them, were Cubans and became parolees. I am sure you are familiar with the records we maintain at Miami and other ports, but particularly at Miami with reference to people from the Caribbean. They are checked out through those records and then paroled into the United States.

It is indefinite as to when they are going back, obviously, but from what we hear, all of them want to go back. The processing is done, or part of it, out at the airport at Miami. Some of it is done in our district headquarters office on Biscayne Boulevard. Males above 16 years of age not checked out immediately were moved to a detention facility which we established at Opa-locka. That is just west of the city of Miami, about a 30-minute automobile ride.

We check these people through our records and with the Cuban committee groups in Miami. When we clear a man we parole him to go about his business.

Mr. BOW. When these refugees come in, do I understand there that as a rule they have very little in cash, money, or property of any kind?

Mr. LOUGHRAN. That is what we have seen, sir; very little.

Mr. BOW. How are they maintained while you have them under your surveillance?

Mr. LOUGHRAN. After they are cleared with the Immigration and Naturalization Service, then they go to the Department of Health, Education, and Welfare, which Department has an office in downtown Miami, and their needs are made known to the Department and I understand the Department takes care of them.

Mr. BOW. You give no cash advance or anything of that kind to any of these people?

Mr. LOUGHRAN. No, sir.

Mr. BOW. For instance, after this recent work in Cuba where they took the political prisoners out and started to permit families and others to come in in large numbers on ships and planes, did you have any advance notice as to who was coming? Do you have any list of names?

Mr. LOUGHRAN. When the Pan American flights were in operation we——

Mr. BOW. That was in the flights. I am talking about since the political prisoners and since Castro is now permitting certain people to come in. He is making a determination as to who can come, and do we have a list of those people before they actually come to our shores?

Mr. LOUGHRAN. Just on the planes, we had them. I have not seen or heard of an advance manifest of persons coming by boat. They were all checked out quite thoroughly through our records after arrival.

Mr. BOW. Here or where?

Mr. LOUGHRAN. Here.

Mr. BOW. No check made in Cuba before they left?

Mr. FARRELL. We have those records here, Mr. Congressman, quite an index. We work with the FBI and other agencies on that. We have our own indexes.

NUMBER OF PEOPLE ASSIGNED TO CUBAN SITUATION

Mr. BOW. How many people do you have at the present time assigned to the Cuban situation?

Mr. LOUGHRAN. May I submit it for the record, Mr. Congressman?

Mr. BOW. Yes, if you want to.

Mr. LOUGHRAN. It is practically everyone in our Miami district at some time. For example, I would say offhand we have approximately 46 patrol inspectors in the Miami district.

(The requested information follows:)

Number of people engaged in processing Cuban refugees as of December 31, 1962: On duty in State of Florida, 344.[1]

FUNDING FOR CUBAN PROCESSING

Mr. BOW. Do you have anything in this budget for the cost of your establishments outside of Miami or in Tampa, as to what the cost of operating those would be?

Mr. LOUGHRAN. I do not exactly understand.

Mr. BOW. You say you have a detention camp outside of Miami where you take people you cannot check.

[1] All of these persons take some part in the processing of Cuban refugees during the normal course of their work.

Mr. LOUGHRAN. At Opa Locka, the cost of operating?

Mr. BOW. Yes; what budget does that come under?

Mr. LOUGHRAN. The personnel costs of operating Opa Locka are approximately $160,000.

Mr. BOW. What fund did that come from? Is that a transfer from some other fund?

Mr. LOUGHRAN. Yes, it was. You may recall a few years ago the Congress gave us 155 patrol inspector positions to take care of this situation in Florida. When we set up Opa Locka, we had some turnover in the patrolmen in those positions and we took 33 of those positions to set it up and establish it. That is why we are only reducing now 122 border patrol positions.

CONTACT WITH STATE DEPARTMENT ON CUBAN REFUGEE PROGRAM

Mr. BOW. What contact do you have with the Department of State in the refugee program in Miami?

Mr. FARRELL. We have not had a great amount of contact with them except where certain relatives are in the United States and they have relatives in Cuba they are trying to get out, and they have to get a waiver of documents. That is usually granted by the State Department. Without that waiver, the airlines would not take them aboard the planes in normal operation.

Mr. BOW. You get that from Washington?

Mr. FARRELL. It could be obtained right here; yes, sir.

Mr. BOW. That is all. Thank you.

OVERALL NET INCREASE

Mr. ROONEY. Apropos of the first question or two of Mr. Bow, should we correctly understand this pending budget before us for 1964 is $5,950,000 over and above the 1963 budget which is $1,151,000 less in money and 122 positions less than included in the 1962 budget? Is that a correct statement?

Mr. ANDRETTA. Except that when you say "over 1963," you mean 1963 appropriations?

Mr. ROONEY. Please leave out the 1962. When I said 1962 I meant 1963.

Mr. ANDRETTA. That is right.

Mr. ROONEY. Is that correct?

Mr. ANDRETTA. That is right.

MANDATORY INCREASES, IMMIGRATION SERVICE

Mr. ROONEY. Of this increase of $5,950,000, to which I have just made reference, how much of that is required by law? How much of that do you have no control over for such things as the pay raise, within-grade promotions, penalty mail, and so on? Do you have that handy?

Mr. BROWN. It is $3,871,000, exclusive of the proposed pay act supplemental.

Mr. ROONEY. Of the $5,950,000. $3,871,000 is mandatory; correct?

Mr. BROWN. If you add the proposed 1963 pay act supplemental the total would be $6,210,000.

Mandatory Increases, Department of Justice

Mr. Rooney. Mr. Andretta, insofar as the entire Department of Justice is concerned, will you insert at this point in the record a statement showing how much is similarly mandatory insofar as the entire set of appropriation items that make up the budget of the Department of Justice is concerned?

Mr. Andretta. Yes, sir.

(The requested information follows:)

Total increases due to statutory provisions

Pay act costs:	
Proposed supplemental, 1963	$10,946,000
Additional costs in 1964	8,985,000
Total	19,931,000
Other statutory costs such as within-grade salary increases, additional compensable days in 1962, and related personnel benefits	3,966,000
Total statutory costs	23,897,000

Mr. Rooney. Very well.

Thank you very much, Commissioner Farrell, Commissioner Loughran, and Commissioner Francis.

SALARIES AND EXPENSES, U.S. ATTORNEYS AND MARSHALS

WITNESSES

J. R. REILLY, HEAD EXECUTIVE OFFICER FOR U.S. ATTORNEYS
JAMES P. McSHANE, HEAD, EXECUTIVE OFFICE FOR U.S. MARSHALS
S. A. ANDRETTA, ADMINISTRATIVE ASSISTANT ATTORNEY GENERAL
J. C. BROWN, CHIEF, BUDGET AND ACCOUNTS OFFICE

Object classification

[In thousands of dollars]

		1962 actual	1963 estimate	1964 estimate
11	Personnel compensation:			
	Permanent positions	17,683	19,865	21,000
	Positions other than permanent	176	153	153
	Other personnel compensation	954	1,120	1,085
	Total personnel compensation	18,814	21,138	22,238
12	Personnel benefits	1,187	1,303	1,369
21	Travel and transportation of persons	2,531	2,718	2,816
22	Transportation of things	23	25	25
23	Rent, communications, and utilities	698	781	745
24	Printing and reproduction	371	405	456
25	Other services	900	802	1,004
26	Supplies and materials	181	139	187
31	Equipment	468	542	540
	Total costs	25,172	27,853	29,380
	Change in selected resources	−50		
	Total obligations	25,122	27,853	29,380

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions	2,756	2,875	2,882
Full-time equivalent of other positions	20	14	14
Average number of all employees	2,632	2,798	2,812
Number of employees at end of year	2,663	2,800	2,825
Average GS grade	6.3	6.2	6.2
Average GS salary	$5,758	$6,059	$6,143
Average salary of ungraded positions	$9,453	$10,330	$10,744

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. U.S. attorneys	14,650	16,382	17,364
2. U.S. marshals	10,522	11,471	12,016
Total program costs, funded	25,172	27,853	29,380
Change in selected resources [1]	−50		
Total obligations	25,122	27,853	29,380
Financing: Unobligated balance lapsing	63		
New obligational authority	25,185	27,853	29,380
New obligational authority:			
Appropriation	25,185	27,085	29,380
Transferred to "Operating expenses, Public Building Service," General Services Administration (76 Stat. 278) (−)		−14	
Appropriation (adjusted)	25,185	27,071	29,380
Proposed supplemental due to pay increases		782	

[1] Selected resources as of June 30 are as follows: Unpaid undelivered orders, 1961, $186,000; 1962, $136,000; 1963, $136,000; 1964, $136,000.

Mr. ROONEY. The next item, gentlemen, is entitled "Salaries and expenses, U.S. attorneys and marshals," and is to be found beginning at page 86 of the committee print.

The details will be found under tab 20 of the justifications. These documents indicate that the request is the amount of $29,380,000 which would be an increase of $2,295,000 over the amount appropriated for the current fiscal year.

We shall, at this point in the record, insert pages 20–1 through 20–4 of these justifications.

(The pages follow:)

Salaries and expenses, U.S. attorneys and marshals

Appropriation, 1963	$27,085,000
Proposed Pay Act supplemental	782,000
Less transfer to GSA	−14,000
Appropriation, 1963 (adjusted)	27,853,000
Estimate, 1964	[1] 29,380,000
Increase	1,527,000

[1] Excludes $200,000 for Condemnation Commissioners.

Analysis by activities

	1963	Increases		1964
		Pay Act	Other	
U.S. attorneys	$16,382,000	$314,000	$668,000	$17,364,000
U.S. marshals	11,471,000	297,000	248,000	12,016,000
Total	27,853,000	611,000	916,000	29,380,000

Analysis of litigative funds included in appropriation

Activity	Actual, 1962	Estimate, 1963	Estimate, 1964
U.S. attorneys:			
(a) Travel in legal proceedings	$433,301	$459,600	$515,800
(b) Evidentiary and other litigative expenses:			
(1) Fees, condemnation commissioners	123,774	200,000	
(2) Printing and reproduction	351,942	390,300	441,400
(3) Other contractual services (reporting—attendance fees and transcripts, compensation of interpreters, and doctors' abstract of titles and recording fees)	773,583	677,200	879,200
Total, U.S. attorneys	1,682,600	1,727,100	[1] 1,836,400
U.S. marshals:			
(c) Executing judicial orders and transporting prisoners:			
(1) Guard hire	331,519	360,000	360,900
(2) Travel (marshals attending court, serving process, and transporting prisoners, including prisoners' travel)	2,056,850	2,216,900	2,260,600
(3) Communication services (postal registry, summoning jurors)	15,000	17,000	17,000
(4) Other contractual services (guarding, hauling, and destroying seized property, and expenses of transporting prisoners)	106,403	125,000	125,000
Total, U.S. marshals	2,509,772	2,718,900	2,763,500
Total, litigative funds	4,192,372	4,446,000	4,599,900

[1] Excludes $200,000 for condemnation commissioners.

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:

	1962 actual	1963 estimate	1964 estimate
U.S. attorneys:			
Cases:			
Pending beginning of year	29,059	32,267	36,367
Adjustment of number of cases pending	−29		
Filed during year	57,153	59,500	62,100
Terminated during year	53,916	55,400	56,800
Pending end of year	32,267	36,367	41,667
U.S. marshals:			
Process served	700,179	720,000	740,000
Process endeavors	176,275	180,000	185,000
Defendants arrested	15,797	16,300	17,300
Prisoners handled	181,826	188,000	194,000

AMOUNT REQUESTED

It is requested that an appropriation of $29,380,000 be authorized for the U.S. attorneys' and marshals' offices for the 1964 fiscal year. This is $1,527,000 more than the amount available in 1963, of which $982,000 is for the U.S. attorneys and $545,000 is for the U.S. marshals.

The principal increases are $953,000 to comply with statutory provisions relative to employees' compensation and benefits, and $300,000 to continue the promotion plan for assistant U.S. attorneys.

LANGUAGE CHANGES

Delete: "*Provided further*, That of the amount herein appropriated not to exceed $200,000 shall be available for payment of compensation and expenses of Commissioners appointed in condemnation cases under rule 71A(h) of the Federal Rules of Civil Procedure."

Insert: "*two buses including one for replacement only* (one passenger-carrying bus for Arizona, and one for the northern district of Illinois)".

U.S. Attorneys

As you will note, this appropriation is divided into two parts, the first of which is U.S. attorneys.

The justifications with regard thereto begin at page 21–1, which we shall insert at this point in the record, together with pages 21–2 through 21–17(b).

(The pages follow:)

U.S. attorneys

Appropriation, 1963	$15,888,000
Proposed pay act supplemental	508,000
Less transfer to General Services Administration (rent)	14,000
Appropriation, 1963 (adjusted)	16,382,000
Estimate, 1964	17,364,000
Increase	982,000

AMOUNT REQUESTED

It is estimated that $17,364,000 will be needed to meet the requirements of the U.S. attorneys' offices for the 1964 fiscal year. The requirements for 1963 include a $508,000 supplemental pending before the Bureau of the Budget covering the estimated cost of the pay act as authorized by Public Law 87–793 approved October 11, 1962. In addition to the raises authorized for classified personnel the act provides a 7½-percent salary increase for assistant U.S. attorneys. U.S. attorneys' salaries were not affected by this legislation.

The increase 1964 over 1963 amounts to $982,000 of which $499,100 is required to comply with statutory provisions including $314,000 for additional pay act costs in 1964. The remaining $482,900 includes $49,100 for four additional positions and related costs for the establishment of a new judicial district in the State of Florida pursuant to Public Law 87–562, and $300,000 for continuing the promotional plan for assistant U.S. attorneys. The balance of $133,800 is for travel, printing and reproduction, and reporting services.

GENERAL STATEMENT

The U.S. attorneys are the field representative of the Department of Justice. 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 neecssary 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. attorneys' offices. If we are to keep the great mass of litigation moving along in an orderly manner toward disposition, and if we are to reduce the caseload which has increased in the past 2 years, it is imperative that we keep our seasoned assistants. This can only be done by making the salary structure attractive enough to recruit and keep the type of assistant we need. With this purpose in mind, a regular promotion schedule has been 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 1964, $300,000 is earmarked for this purpose.

The new judicial district in Florida, authorized by Public Law 87–562, will require the establishment of four additional positions—one U.S. attorney at $16,500, one first assistant at $12,000, one secretary, GS–6 at $4,846, and one secretary, GS–5, at $4,347. These salaries and related costs for the new employees amount to $49,100.

The two foregoing items of increase—$300,000 for salary increases and $49,100 for four additional positions with related costs—amount to $349,100, or approximately 35.5 percent of the total increase of $982,000 requested for fiscal 1964. The additional Pay Act costs in 1964 account for another 32 percent, or $314,000. Regular pay above the 52–week base accounts for $104,000, or 10.6 percent of the total increase requested. Litigative costs, such as travel, printing, and reporting services account for the remainder. These costs are expenses which arise out of the litigation of cases. For example, the increase in grand jury proceedings—from 15,100 in 1961 to 15,826 in 1962, a rise of 726—brought an increase of $145,000 in the cost of reporting services in 1962. Such costs have risen each year despite strong efforts made to keep them as low as possible. It is expected that they will continue to rise.

Although additional funds will be needed, also, to meet the continued rise in the cost of communications and supplies, mainly the increased amount and price of photocopy paper, these costs are offset by the elimination of nonrecurring rent and equipment items.

In fiscal 1962, the U.S. attorneys' offices filed more civil and criminal cases, terminated more criminal cases, handled more criminal complaints and civil matters, conducted more proceedings before the grand jury, handled more cases per assistant, and collected the highest amount of money ever collected in the history of the Department.

The volume of work handled in every category increased substantially, and topped a number of existing records for the past 7 years for which statistics are available. The number of criminal cases filed was higher than for any of the preceding 7 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 1962. The number of criminal cases filed in fiscal 1962 exceeded by over 800 the average number filed in any of the preceding 6 years.

The number of civil cases filed in fiscal 1962 was substantially higher than in any of the preceding 7 years. The 25,242 civil cases filed exceeded by over 2,300 cases the average number of civil cases filed in each of the prior 7 years, and exceeded the total for 1961 by 1,365 cases, or 5.7 percent.

Total cases filed were higher than in any of the 6 preceding years. The total filed in 1962 was over 2,800, or 5.2 percent, higher than the average for the 6 preceding years, and if wetback cases were subtracted from the 1955 total (as discussed above), the 1962 total would set a 7-year high for filings.

Both criminal and civil terminations exceeded the totals for the previous year. Criminal case terminations increased 708 cases over fiscal 1961, and civil case terminations were 628 higher than in the previous year. The number of criminal case terminations was higher than in any of the preceding 4 years, and exceeded the 4-year average by 641 cases. Civil terminations, while above those for 1961, were below those of other years, with the exception of 1957. The number terminated in 1962, however, was only 28 below the 7-year average for civil terminations. Combined criminal and civil terminations were also higher than in the previous year but below those for 2 of the preceding 5 years. The total number terminated in 1962, however, was 368 above the 5-year average for total criminal and civil terminations.

More criminal trials were conducted in 1962 than in any year since 1955. In 1955, of course, the inclusion of wetback cases helped to swell the total. The 3,446 criminal trials held in 1962 represented an increase of 367, or 10 percent, over the prior year, and an increase of 306, or 9.1 percent, over the average for the past 6 years. Civil trials fell slightly below the number for the preceding year, and were lower than for any of the past 6 years. Total criminal and civil trials, however, were higher than in 5 of the preceding 7 years, and exceeded the 7-year average by 207 trials.

In 1962, the number of grand jury proceedings conducted was greater than in any of the preceding 7 years. The 15,826 proceedings conducted exceeded those for 1961 by 726, and exceeded the 7-year average by 672.

Total criminal complaints received during 1962 reached an alltime high of 111,928. This represented an increase of 3,734, or 3.4 percent, over the preceding year, and a rise of 11,364, or 11.3 percent, over the average for the preceding 7 years. Civil matters received rose by 2,255, or 6.8 percent over 1961, and totaled more than in any of the preceding 7 years. The number of civil matters received in 1962 exceeded the 7-year average by 4,378, or 14.1 percent. Total criminal and civil matters received hit a new high of 147,071, which exceeded the 7-year average by 15,742 matters.

Total collections by U.S. attorneys during the 1962 fiscal year aggregated $52,686,047. This represents an increase of $17,848,327, or 51.2 percent, over the preceding year. The total recovered was the highest aggregate of collections in the history of the Department. We are hopeful that through the exercise of intensive collection efforts we shall be able to increase the amount of money recovered on claims due the Government. Collections for fiscal 1962 represent a return to the Government of $3.62 for each dollar obligated for 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 1962, 1,088 suits against the Government were terminated. In these suits the savings to the Government aggregated $57,445,578. When this total is added to the aggregate of $52,686,047 actually collected for the Government, we find that the U.S. attorneys effected a return to the Government of $7.58 for each dollar used in the operation of their offices, a return of over 700 percent.

The foregoing figures show that the U.S. attorney's 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 1962, a total of $31,123,476, or 59 percent of the aggregate collections, was recovered without actual suit or prosecution.

In terms of cases filed and terminated, the past fiscal year was much more productive for U.S. attorneys than the previous year. While case terminations increased over the prior year, they failed to keep pace with the number of new cases filed. As a result, the number of cases pending registered an increase. One factor which has had considerable impact on the number of cases terminated is 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 the air crash cases, involving large planes, and which give rise sometimes to hundreds of suits in different judicial districts, and securities fraud cases and tax exasion 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.

An important aspect of the work of the U.S. attorneys is the acquisition of land for Federal purposes. The authorization of dam reservoir projects and the development and testing of jet planes, 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 11,319 land tracts, while requests for acquisition by direct purchase totaled 8,663 tracts. This was an increase of 366 tracts over the previous year. A total of 11,361 tracts were closed through condemnation and 12,484 tracts through direct purchase, an increase of 32.5 percent over the prior year and the largest such total since 1945. As of June 30, 1962, there were 36,177 tracts pending—29,359 in condemnation and 6,818 in direct purchase. As the average period between the filing of a complaint in a condemnation proceeding and the final closing of the case is over 3½ years, it is clear that, aside from the new volume of work received in the coming year, the lands work in U.S. attorney's offices will remain heavy for some time to come. Among the over 36,177 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 aroused the concern, not only of the Department of Justice, but of the judiciary as well. Of the 29,359 tracts pending in condemnation, 2,881 have been pending from 3 to 5 years, and 2,626 have been pending over 5 years. Stated another way, 5,507 tracts, or almost one-fifth of all tracts pending, have been pending for over 3 years. A survey shows that in 5,600 tracts the compensation has been determined, and all that remains to be done in order to dispose of the matter is to forward to the Department the necessary papers, or take some other minor action. To do this, however, the U.S. attorney must take an assistant away from other work. The Lands Division has requested the U.S. attorneys to give priority to these 5,600 tracts so that they may be closed.

There has been a consistent rise in tax litigation during the past decade. The increase in fiscal 1962 was 14 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. There were 1,137 civil tax cases tried last year.

U.S. attorneys and their assistants are responsible for the trial of criminal tax cases. During fiscal year 1962, 906 such cases were commenced, which represents an increase of 32 percent. 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 1964. The Department of Justice Tax Division received congressional authority to employ 96 additional employees in fiscal year 1962. The work of these additional employees will have a direct effect upon the number of cases received by the U.S .attorneys. The 25-percent increase in Internal Revenue enforcement officers which has occurred in the past 3 years will also have an impact.

In line with the overall increase in tax matters, tax lien cases increased 17.9 percent in the past year. This field of activity has registered the sharpest rise in any category of work. On June 30, 1955, there were 1,197 such cases pending. During the intervening 7 years the number of new cases received has almost tripled, and on June 30, 1962, there were 3,721 such cases pending, an increase of 266 percent. While these cases are generally not difficult to handle, their increasing volume cuts down proportionately on the time and effort which should be devoted to more important litigation.

The number of criminal complaints received has increased in 6 of the last 7 years, and there is no indication that this upward trend will subside. 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.

Detailed explanation of increase

	New positions	Statutory provisions	Other	Total
11 Personnel compensation				$647,200
4 additional positions; 1 new U.S. attorney, at $16,500; 1 new 1st assistant U.S. attorney, at $12,000; 1 new secretary, GS–6, at $4,846; and 1 new secretary, GS–5, at $4,347. These positions will be needed to establish the new district in Florida as authorized under Public Law 87–562	$37,700			
Cost of pay act (Public Law 87–793) (carryover from 1963 on full year basis (schedule 1))		$232,000		
Part effective Jan. 5, 1964 (schedule 2)		72,000		
For continuation of promotional plan for assistant U.S. attorneys			$300,000	
Statutory step increases		57,100		
Lapse adjustment			44,400	
Less condemnation commissioners (funds for this expense have been dropped from the 1964 request). The current availability is $200,000			−200,000	
Regular pay above 52-week base		104,000		
Total	37,700	465,100	144,400	
12 Personnel benefits				36,700
For new staff (4 positions)	2,700			
Mandatory retirement fund increase for the existing staff		34,000		
Total	2,700	34,000		
21 Travel and transportation of persons				56,200
To provide travel for 4 positions, at $302 each	1,200			
To provide funds for continued increase in volume of work			55,000	
Total	1,200		55,000	
22 Rents, communications, and utilities				−7,200
Rental of space to provide space; for 4 additional positions at $750 each	3,000			
Less nonrecurring provision for rent			−80,500	
Communication services; to provide communication service for 4 additional positions at $294 each	1,200			
A projection of the 1962 per capita cost ($294) for communication services into fiscal year 1964 reflects the need for $69,100 more to cover this expense. The increased cost, 1962 over 1961, was in excess of $47,000			69,100	
Total	4,200		−11,400	
24 Printing and reproduction				51,100
Printing of briefs and records, to provide increases for 4 additional positions, at $223 each	1,100			
To provide funds for a continued increase in volume of work			50,000	
Total	1,100		50,000	
25 Other contractual services				202,000
Reporting services; to provide increases for 4 additional positions, at $491 each	2,000			
Additional funds are needed for court reporting services, etc., especially for the increasing number of grand juries being held throughout the country. The increased cost, 1962 over 1961, was in excess of $145,000			200,000	
Total	2,000		200,000	
26 Supplies and materials				47,600
Supplies, etc., for 4 additional positions, at $50 each	200			
Photocopying paper; to match actual cost for 1962 fiscal year			47,400	
Total	200		47,400	

Detailed explanation of increase—Continued

	1963 estimate		1964 estimate		New positions	Statutory provisions	Other	Total
	Number	Amount	Number	Amount				
31 Equipment								$51,600
Adding machines	10	$3,540	10	$3,540				
Dictating machines	16	5,600	16	5,600				
Transcribers	8	2,800	8	2,800				
Electric typewriters	100	40,000	100	40,000				
Photocopying machines	25	8,125	25	8,125				
To provide furniture and equipment for 63 assistant attorneys at $375 each		23,600					−$23,600	
To provide furniture and equipment for 63 clerical assistants at $625 each		39,400					−39,400	
Furniture (Post Office-controlled buildings)		24,000		24,000				
Furniture (GSA-controlled buildings)		32,400		32,400				
Furniture and equipment for new Federal buildings to be completed during 1964 fiscal year		38,800		[1] 48,100			9,300	
Library equipment:								
Accessions		25,000		25,000				
Continuations		165,000		165,000				
Miscellaneous items		10,435		12,535			2,100	
Total		418,700		367,100			−51,600	
Total increase 1964					$49,100	$499,100	433,800	982,000

[1] For use in 9 different geographical locations.

Workload

	Actual			Estimated	
	1960	1961	1962	1963	1964
Cases or matters:					
Pending beginning of year	[1] 25,971	26,971	29,059	32,267	36,367
Adjustment of number of cases pending			−29		
Received	54,999	54,668	57,153	59,500	62,100
Terminated	53,919	52,580	53,916	55,400	56,800
Pending end of year	[1] 26,971	29,059	32,267	36,367	41,667
Number of assistant U.S. attorneys	625	565	576	625	626
Caseload per assistant U.S. attorney	130	144	150	147	157
Cases terminated per assistant U.S. attorney	86	93	94	89	91
Matters:					
Pending beginning of year	22,832	21,070	23,186	26,601	30,000
Received	139,315	141,082	147,071	153,000	159,000
Terminated	86,656	84,975	86,295	87,600	88,900
Pending end of year	21,070	23,186	26,601	30,000	33,400
Civil cases filed	24,382	23,877	25,242	26,500	28,000
Civil cases terminated	23,457	22,271	22,899	23,600	24,300
Criminal cases filed	30,617	30,791	31,911	33,000	34,100
Criminal cases terminated	30,462	30,309	31,017	31,800	32,500
Criminal complaints filed	106,994	108,194	111,928	116,000	120,000
Proceedings before grand jury	14,646	15,100	15,826	16,500	17,300
Civil matters received, not on court docket	32,321	32,888	35,143	37,500	40,000

[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
1960	1,124	2,086	3,210
1961	962	2,117	3,079
1962	1,083	2,363	3,446
	Estimated		
1963	1,200	2,600	3,800
1964	1,300	2,800	4,100

U.S. attorneys financial summary

Fiscal year	Collected in cases				Collections without actual suit or prosecution		
	Fines	Forfeitures	Penalties	Other civil judgments	Total	Criminal	Civil
1960	$5,147,418	$321,838	$211,400	$10,292,649	$15,973,305	$242,624	$16,748,417
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	30,998,162
	Estimated						
1963	$5,800,000	$800,000	$425,000	$16,600,000	$23,625,000	$140,000	$35,000,000
1964	6,300,000	875,000	475,000	18,250,000	25,900,000	150,000	39,000,000

REQUESTED INCREASE

Mr. ROONEY. So far as the U.S. attorneys are concerned, the request is in the amount of $17,364,000 which would be an increase of $1,476,000. The increases are set forth on pages 21–11 through 21–15.

Is there anything you want to say with regard to this, Mr. Reilly?

Mr. REILLY. Just briefly, Mr. Chairman, of the increase, $508,000 is for the Pay Act supplemental. This breaks us down to actually asking for an increase of $982,000.

Mr. ROONEY. Are you saying that that $508,000 is not an increase?

Mr. REILLY. No, sir. I am saying what we are asking for over the 1963 budget——

Mr. ROONEY. What did you say your total is?

Mr. ANDRETTA. He is talking about the supplemental for this year, prospective supplemental.

Mr. ROONEY. He has not got to that yet. That is an increase, is it not?

Mr. ANDRETTA. Yes, sir.

Mr. ROONEY. Was I not correct when I stated the increase would be $1,476,000?

Mr. ANDRETTA. Right.

Mr. ROONEY. Including that $508,000?

Mr. REILLY. Yes, sir.

Mr. ROONEY. All right.

Mr. REILLY. I meant after.

Mr. ROONEY. I understand what you meant. But I want the record straight.

Mr. REILLY. I was stating the supplemental.

Mr. ROONEY. It was not correct.

Mr. REILLY. After the supplemental, this $982,000 includes $499,100 for the statutory provisions and for additional Pay Act costs and the remaining $482,900 includes $49,100 for four additional positions and related costs for the establishment of the new judicial district, the middle district of Florida, and $300,000 for continuing the promotional plan for assistant U.S. attorneys.

ADDITIONAL REQUESTS FOR PROMOTIONAL PLAN

Mr. ROONEY. With regard to that $300,000, you came along last year and asked us for $300,000 for this reclassification or promotional plan and we gave it to you?

Mr. REILLY. Yes, sir.

Mr. ROONEY. We are now surprised to see you come along and ask for another $300,000. How long is this going to continue?

Mr. REILLY. I do not feel that it will continue after this year, at least in that amount, or that sum, hopefully.

Mr. ROONEY. What do you figure the total cost is going to be with regard to this promotional plan?

Mr. REILLY. I really could not say, Mr. Chairman. Hopefully, we will be able to reduce it next year to less than half of that, as far as our request will be concerned.

Mr. ROONEY. Better stay with this year.

Mr. SMITH. Will the gentleman yield?

As a matter of fact, when these new assistants were put on, you reduced their salaries compared to their predecessors, did you not?

Mr. REILLY. In many cases.

Mr. SMITH. Then why did you need an additional $300,000?

Mr. REILLY. In many instances also we raised the salaries of the people who went in.

Mr. SMITH. But on an average, did you reduce them?

Mr. REILLY. As opposed to their predecessors.

Mr. SMITH. Yes.

Mr. REILLY. On the average, lower.

Mr. SMITH. You reduced them but you say you want $300,000 more?

Mr. ANDRETTA. It is on a purely individual district basis. Some came in at less than their predecessors' salaries and some, more.

Mr. SMITH. On an average, less?

Mr. ANDRETTA. I would say the average is a little less.

Mr. SMITH. You two do not agree then?

Mr. ANDRETTA. If you are talking about an individual district, it could well be, but I am talking across the board, all 92 districts. You have had pay raises come into the picture and general upgrading of personnel.

Mr. SMITH. That is all.

Mr. ROONEY. Were assistant U.S. attorneys included in the Federal Pay Act of last year?

Mr. REILLY. Yes, sir; specifically for 7.5 percent.

Mr. ROONEY. On top of that, you had this $300,000 and now you want another $300,000 beyond that?

Mr. REILLY. Yes, sir. That is what we are requesting. We distinguish between the pay act increase as a cost-of-living increase, and the $300,000 as a merit increase.

Mr. ROONEY. Do you have any money in this increased budget of $17,364,000 for compensation or expenses of Commissioners appointed in condemnation cases?

Mr. REILLY. No, sir. That has been taken out.

ADDITIONAL POSITIONS

Mr. ROONEY. In this 1964 budget, you have an increase in number of positions, do you not?

Mr. REILLY. Yes, sir.

Mr. ROONEY. Four additional positions?

Mr. REILLY. Yes.

Mr. ROONEY. Where do we find the details with regard to that?

Mr. REILLY. That is on page 21–11, I believe.

Mr. ROONEY. Of these four positions, one is to be this new U.S. attorney; where?

Mr. REILLY. In the middle district or southern district of Florida, actually.

When Congress created the new middle district they also moved the southern district attorney to the new middle district.

Mr. ANDRETTA. The incumbent.

Mr. ROONEY. Where would the new assistant attorney be located?

Mr. ANDRETTA. Probably in the middle district.

Mr. ROONEY. Where would this GS–6 secretary and the GS–5 secretary be?

Mr. REILLY. They would be in the middle district.

TRAVEL

Mr. ROONEY. Tell us about the alleged justification for $55,000 for more travel.

Mr. REILLY. That is simply on the increased volume of business, Congressman. We project this on the feeling they will be traveling more for various reasons because of the volume of business.

Mr. ROONEY. What are the various reasons?

Mr. REILLY. Interviewing witnesses, taking depositions, traveling to court at different places, and holding court.

Mr. ROONEY. It is possible there may be less requirement in that regard in fiscal year 1964; is it not?

Mr. REILLY. Possibly; yes, sir.

Mr. ROONEY. You might have more accommodating witnesses who come right in and see you; right?

Mr. REILLY. That would be thoughtful.

PRINTING

Mr. ROONEY. What about this requested increase of $50,000 for printing?

Mr. REILLY. That is also connected with the increased volume of work, plus the increased costs of printing and reproduction.

Mr. ANDRETTA. Mr. Chairman, most of the litigative expenses under U.S. attorneys are uncontrollable and unpredictable. You do not know.

Mr. ROONEY. How many times have I said there is not a slicker man in Government than Your Honor, when it comes to supplemental appropriations?

Mr. ANDRETTA. Should I agree?

Mr. ROONEY. You can whip one up faster than anyone I know.

How do you arrive at the nice, fat, round figure of $50,000 "to provide funds for a continued increase in volume of work"?

Mr. REILLY. I defer.

Mr. ANDRETTA. Just by the way expenditures have been running this year in the first 6 months, as against the first 6 months of last year, in all the districts.

Mr. ROONEY. If you found yourself short in that category for printing and reproduction for the U.S. attorneys you would not be so bashful as not to come up here and tell us about it by way of a supplemental?

Mr. ANDRETTA. No; we would not be, but you reduce the impact and the need of a supplemental by trying at least to foresee some of the unpredictable things.

Mr. ROONEY. Is it possible that the impact might go the other way and keep the desire for more printing and reproduction down?

Mr. ANDRETTA. I have never seen it happen yet.

Mr. ROONEY. I have known you to send out these "round robins" saying, "We are running short and be careful about spending the money."

Why could you not do that here?

Mr. ANDRETTA. Well, whenever we get into the controllable area, we can try to do that, but when you are in the litigative area as to litigation expenses, you cannot.

Mr. ROONEY. You charge printing costs in litigation expenses, do you not?

Mr. ANDRETTA. To litigative expense, right.

Mr. ROONEY. You charge the costs to the printer, or whoever does the printing; is that right?

Mr. ANDRETTA. Yes.

Mr. ROONEY. You have an account with all of these people and your credit is still good, is it not?

Mr. ANDRETTA. They will not carry us long though. They all cry for money.

COURT REPORTING SERVICES

Mr. ROONEY. What about this $200,000 additional for court reporting services?

Mr. REILLY. That is because of the increased number of grand juries we expect to have and trials.

Mr. ANDRETTA. At the current rate of expenditure for court reporting, Mr. Chairman, we are running $222,000 in the red, and that is due to more business and 68 new judges. We have more grand juries going; more cases being tried, and more need for reporting services. The whole thing has stepped up.

For example in the first 6 months of the year civil trials are up 16.03 percent; criminal trials up 9.34 percent; proceedings before the grand jury are up 3.03 percent.

Mr. ROONEY. That is interesting since the language on page 21–13 says that if additional funds are needed for court reporting services, and so forth, especially for the increasing number of grand juries being held throughout the country——

Mr. ANDRETTA. That is right. The actual number of grand juries does not determine how long some of these are running and the costs in them. We have some grand juries that have been running for an awful long time, and daily copy is required.

It might be of some interest to know, too, that with all this increase in work, we have stepped up our collections of money. Our collections are up more than 50 percent; almost 51 percent.

Mr. ROONEY. Are you speaking now of U.S. attorneys?

Mr. ANDRETTA. U.S. attorneys.

This is cash on the barrelhead in the U.S. attorneys' offices. Total collections are up 23.19 percent and that includes fines and forfeitures, and so forth.

Mr. ROONEY. Had the divisions of the U.S. Attorney General here in Washington also availed itself of the credit for the same fines?

Mr. ANDRETTA. No; this is different.

Mr. ROONEY. Entirely different?

Mr. ANDRETTA. They talk about suits and savings and recoveries which are not handled by the U.S. attorneys. That is separate.

Mr. ROONEY. Entirely separate?

Mr. ANDRETTA. Yes, sir.

PHOTOCOPYING PAPER

Mr. ROONEY. How much did you spend in the last fiscal year for photocopying paper?

Mr. REILLY. $47,364.

Mr. ROONEY. That is the cost. How much did you spend in fiscal year 1962?

Mr. BROWN. The same amount.

Mr. ROONEY. With regard to the item that we discussed previously for photocopying paper, is there any money in this budget beyond the $47,400 for photocopying paper?

Mr. ANDRETTA. No additional funds, sir. We have our regular supply item in the base but we are not asking for any additional money other than this $47,000.

Mr. ROONEY. You say "The actual cost for photocopying paper in the year 1962 was $47,400."

My question is, What is the total in the 1964 budget for photocopying paper?

Mr. ANDRETTA. I see what you mean. I will have to get that.

Mr. BROWN. That is the same amount. We are just asking for the same amount that we spent.

Mr. ROONEY. This is set forth with your increases. This is a $47,400 increase.

Mr. BROWN. You want to know how much it is altogether?

Mr. ROONEY. Yes.

Mr. BROWN. We will have to insert that, Mr. Chairman.

(The information requested follows:)

No funds have ever been included in our budget estimates for photocopying paper although $47,364 was used for this purpose in 1962. This cost was met from savings in other areas, principally from lapses resulting from delays in filling the unusual number of vacancies which occurred last year. Since we do not anticipate funds from this source in 1964 when the U.S. attorneys' offices will be fully staffed it is necessary to request funds to meet the cost of supplying photocopying paper next year.

Mr. ROONEY. Mr. Sikes?

TOTAL PERSONNEL ASSIGNED TO MEREDITH CASE

Mr. SIKES. What is the total number of persons in the Department of Justice assigned to the Meredith case?

Mr. ANDRETTA. A total of 544.

COSTS AND EXPENSES OF PERSONNEL ASSIGNED TO MEREDITH CASE

Mr. SIKES. For what period, at what total cost in salaries, including regular and temporary employees, and at what cost in per diem?

Mr. ANDRETTA. Between September 15 and October 8, 1962, a maximum of 544. Since that time the number has been greatly reduced to average of about 15. Salary costs from September 15 through January 31, 1963, totaled $355,023. Of course, per diem allowances are a part of travel costs and are not accounted for separately.

Mr. SIKES. What was the cost in travel, including any other expenses incurred for this purpose? I would also like the number of people who now are so assigned.

Mr. ANDRETTA. Travel totaled $150,922 and other expenses amounted to $115,555. At present there are 16 deputies assigned to Oxford.

Mr. SIKES. Are personnel from these offices now assigned to the University of Alabama at this date in preparation for whatever problems may arise therein, in connection with integration?

Mr. ANDRETTA. No, sir.

Mr. ROONEY. Mr. Smith?

GRADES OF REPLACEMENT ASSISTANT U.S. DISTRICT ATTORNEYS

Mr. SMITH. As I understood a while ago, in replacing these assistant U.S. district attorneys, some of them were given a smaller salary than their predecessor.

Mr. REILLY. Yes, sir.

Mr. SMITH. In some cases were they given a larger salary than their predecessor?

Mr. REILLY. Yes, sir.

Mr. SMITH. So that on the average or on the overall total salaries paid, would it have been less or more?

Mr. REILLY. I am afraid I cannot answer that question accurately. My best estimate is that they remained about the same.

Mr. SMITH. What basis did you use for determining that some should be reduced in grade and some increased?

Mr. REILLY. It was on an experience basis. When we hire a man we pay him according to a salary scale, according to the experience that he has had as a lawyer.

Mr. SMITH. But before you had even considered the employment of these men you had set a ceiling on their salary, had you not, so you could not get the man with the greater experience?

Mr. REILLY. We have two ceilings, one statutory, now $17,500 and the other is a policy matter in our office which we feel we must keep them under in order to promote them, and stay within our budget.

Mr. SMITH. Say for example there is a particular district and the assistant U.S. attorney that you had had there received $11,000. Then in replacing him you determined ahead of time and regardless of who is secured and what experience he may have, that the maximum will be $8,000. You determine ahead of time that they would not get a man of such good experience. Then you put him under the promotion plan, give him an increase each year to try to keep him there. If you had left the salary where it was to start with, in many cases you could have started out with a man with more experience than the one you hired will have under the promotion plan after 2 or 3 years. Is that not true?

Mr. REILLY. This does not work out that way in actual facts, Congressman.

Mr. SMITH. Did you not as a fact, through, set a ceiling on the salary before you even considered who would be hired?

Mr. REILLY. Yes, we set a ceiling.

Mr. ANDRETTA. That is pretty true in Government, Mr. Smith. The experienced man has worked himself up to a higher compensation than the new man you bring in, either in the same grade or a different grade, with the same experience.

Mr. SMITH. You are saying experience in Government. I am saying experience in the practice of law.

Mr. ANDRETTA. This formula is based on the number of years he has been practicing, experience at the bar, whether he has been out of law school, 1, 2, 3, 4, 5 years.

Mr. SMITH. But before even coming to that they set a salary range so low you could not get a man of great experience in some of these cases. Is that not true?

Mr. REILLY. That is true. We could not get a $15,000 man. We did not have the money to pay him.

Mr. SMITH. Because you reduced to start with the salary back to eight or nine thousand.

Mr. REILLY. Nine, and the reason was to stay within our budget on hiring.

Mr. SMITH. So you could increase in some other district?

Mr. REILLY. In some cases, yes, sir. Where we were putting a man in a supervisory position, where we required a man or where we were required to pay him more. We go over that ceiling on supervisory positions.

Mr. SMITH. It seems to me that before you even started, you more than offset all the advantages you could get out of this promotional plan.

Mr. REILLY. The promotional plan is set up to promote a man for what he shows us he can do in the office; I mean when we promote a man we know because we have seen him for a year. We know what he can do. Other than that, we are going on the fact that the man has had 4 or 5 years of experience and we are not always certain just what that experience has been.

Mr. SMITH. So that since you have started this practice, though, the average man coming in as an assistant U.S. district attorney is a man of less experience than previous years. Is that not true?

Mr. REILLY. No. Maybe a man of less experience than the man who was in there.

Mr. SMITH. That is what I mean.

Mr. REILLY. Who had the experience in the U.S. attorney's office, but I do not think we are hiring less experienced men than has been done in the past.

Mr. SMITH. On an average?

Mr. REILLY. On an average. That is on the whole.

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

U.S. MARSHALS

Mr. ROONEY. The second of the two items that make up the appropriation at page 86 of the committee print is for the U.S. marshals. The details are to be found under tab 22 of the justification book.

The request is in the amount $12,016,000, an increase of $819,000 over the amount appropriated to date in the current fiscal year.

We shall insert at this point in the record pages 22–1 through 22–10 of the justifications.

(The justification pages follow:)

U.S. marshals

Appropriation, 1963	$11,197,000
Proposed pay act supplemental	274,000
Appropriation, 1963 (adjusted)	11,471,000
Estimate, 1964	12,016,000
Increase	545,000

AMOUNT REQUESTED

It is estimated that $12,016,000 will be needed to meet the requirements of the U.S. marshals' offices for the 1964 fiscal year. The amount required for 1963 includes $274,000 (supplemental pending before the Bureau of the Budget) estimated cost of the Pay Act as authorized by Public Law 87–793 approved October 11, 1962.

The increase, 1964 over 1963, amounts to $545,000, of which $454,000 is due to statutory requirements including $297,000 for additional Pay Act costs in 1964. The remaining $91,000 includes $37,000 for three additional positions and related costs for the establishment of a new judicial district in the State of Florida as authorized by Public Law 87–562. The balance, $54,000, covers increased amounts for travel, communications, and equipment.

GENERAL STATEMENT

U.S. marshals are responsible for extensive activities in the Federal law enforcement field. They serve civil and criminal process; execute writs and other orders of the Federal court; arrest, guard, protect, and transport prisoners; seize, guard, and sell, or otherwise dispose of real and personal property; perform disbursing functions for the Department of Justice and the Federal judiciary; serve process and execute writs for private as well as Federal interests; and serve process issued by congressional committees. While marshals are officers of the Department of Justice, they are also ministerial officers of the Federal courts.

The work and activities of the marshals have increased during the past fiscal year and it is anticipated that this trend will continue for several years. More vigorous and concerted efforts are being made to enforce Federal laws, prosecute and combat organized crime and members of syndicates and groups engaging in

racketeering, gambling, trafficking in narcotics and white slavery, evading paying income taxes, and violating other laws.

The Congress established additional judgeships and, thereafter, provided funds for additional positions for the marshals' service for fiscal year 1963. This has, and should, enable meeting temporarily the constant increase in workload and activities. It is planned to hold the line on permanent employment during the next fiscal year at the maximum level presently authorized, with a minor increase of three positions because of Public Law 87–562.

Emergency situations are constantly arising which place an added burden on manpower and increase operating expenses beyond foreseeable estimates. Manpower is seriously affected when emergencies arise. In September 1961, 52 deputy marshals and a representative of the Executive Office for U.S. Marshals were sent to New Orleans on special assignment; later on, 25 deputies and a U.S. marshal were sent to Louisiana in readiness to cope with a situation developing in an adjacent State; manpower was furnished in Los Angeles, Calif., to maintain order and to provide security in and around the Federal building during hearings conducted by the House Committee on Un-American Activities; and 20 deputies were sent from the District of Columbia to New York City, N.Y., to assist in maintaining order and security control during a trial of 14 defendants in a narcotics case.

During the current fiscal year an emergency arose in a Southern State which required furnishing a large force of deputies to carry out a court order. This will necessitate requesting supplemental funds to cover the expenses incurred in this instance and any others of like nature that might occur in the future.

The Executive Office for U.S. Marshals is convinced that its executive development program is promoting and accomplishing more efficient management and direction of the activities of the marshals. It is planned to continue to hold a conference of U.S. marshals, as well as holding personal conferences to resolve local matters and problems. The supervised national training program is considered essential in providing training for chief deputy and deputy marshals covering all phases of their official duties and responsibilities.

Detailed explanation of increase

		New positions	Statutory provisions	Other	Total
11	Personnel compensation				$452,900
	Cost of pay act (Public Law 87-793):				
	Carryover from 1963 on full-year basis (schedule 1)		$114,000		
	Part effective Jan. 5, 1964 (schedule 2)		161,000		
	3 additional positions—1 new U.S. marshal, GS-14, at $12,230, 1 new chief deputy marshal, GS-11, at $7,571, and 1 new secretary, GS-5, at $4,347. These positions are required to establish the new district in Florida as authorized under Public Law 87-562	$24,100			
	Statutory step increases		92,900		
	Regular pay above 52-week base		58,000		
	Premium compensation: Overtime compensation for 2 additional positions, at $476 each, for the new Florida district	1,000			
	Pay act:				
	Cost of carryover from 1963 and that part effective Jan. 5, 1964		1,000		
	Guard hire, traveling guards—estimated increased cost for 2 additional positions at $439 for the new Florida district	900			
	Total	26,000	426,900		
12	Personnel benefits				28,500
	3 additional positions at $489 each for the new Florida district	1,500			
	Pay act:				
	Cost of carryover from 1963 and that part effective Jan. 5, 1964		17,000		
	Mandatory increase for existing staff		10,000		
	Total	1,500	27,000		
21	Travel and transportation				43,700
	To provide travel for 3 additional positions at $2,125 each for new Florida district	6,400			
	To provide funds for a continuing increase in volume of work. The increased cost of travel 1962 over 1961, was in excess of $274,000			$37,300	
	Total	6,400		37,300	
23	Rent, communications, and utilities				−29,400
	Rental of space—to provide space for 3 additional positions at $750 each for the new Florida district	2,300			
	Less nonrecurring provision for rent to be budgeted for by GSA in 1964			−47,300	
	Communication services—to provide communication services for 3 additional positions at $202 each for the new Florida district	600			
	To provide funds for a continuing increase in volume of work			15,000	
	Total	2,900		−32,300	
26	Supplies and materials				200
	Supplies, etc., for 3 additional positions at $50 each for the new Florida district	200			
	Total	200			

	1963 estimate		1964 estimate		New positions	Statutory provisions	Other	Total
	Number	Amount	Number	Amount				
31 Equipment								49,100
Revolvers	100	$5,000	100	$5,000				
Handcuffs	100	975	100	975				
Leg irons (pair)	50	738	50	738				
Adding machines	25	8,850	25	8,850				
Electric typewriters	75	30,000	75	30,000				
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 eastern district of Louisiana (for replacement of a 1949 ¾-ton truck)				3,500			3,500	
1-ton panel-type truck for the eastern district of New York (for replacement of a ¾-ton Ford truck)				3,500			3,500	
1-ton panel-type truck for the western district of Washington (for replacement of a 1955 ½-ton Ford truck)				3,500			3,500	
1-ton panel-type truck for the northern district of California (this vehicle will be for the Sacramento office, with no replacement				3,500			3,500	
To provide furniture and equipment for 63 field deputy positions ($300 each) as authorized under Public Law 87-36		18,900					−18,900	
Furniture (GSA-controlled buildings)		21,600		21,600				
Furniture (Post Office-controlled buildings)		16,000		16,000				
Furniture and equipment (for new Federal buildings completed during 1963 fiscal year)		17,200		[1] 35,900			18,700	
Miscellaneous items		4,137		4,437			300	
Total		123,400		172,500			49,100	
Total increase, 1964					37,000	453,900	54,100	545,000

[1] For use in 9 different geographical locations.

Workload

	Actual			Estimated	
	1960	1961	1962	1963	1964
Service in process:					
Process served	655,885	675,124	700,179	720,000	740,000
Process endeavors	169,192	158,373	176,275	180,000	185,000
Total	825,077	833,497	876,454	900,000	925,000
Cases filed:					
Criminal	30,617	30,791	31,911	33,000	34,100
Civil, United States, and private	59,284	58,293	61,836	65,000	68,500
Total	89,901	89,084	93,747	98,000	102,600
Defendants arrested	[1] 18,860	[1] 17,505	15,797	16,300	17,300
Prisoners handled	175,940	174,487	181,826	188,000	194,000
Hours in court	171,005	169,062	175,754	183,000	190,000
Earnings	$763,358	$655,692	$599,006	$700,000	$750,000

[1] Includes some arrests by other Federal officers which were inadvertently reported by marshals.

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

REQUESTED INCREASE

Mr. MCSHANE. Mr. Chairman, I believe our records reflected there will be an increase for 1964 of $545,000, of which $454,000 is for additional pay costs, additional promotions that will come under the Pay Act cost of last year. Of the remaining $91,000 there would be $37,000 for the three additional positions and the related costs in the middle district of Florida. That was authorized by Public Law 87–562 and the balance of $54,000 would cover such items as travel, communications, and equipment.

Mr. ROONEY. My attention was diverted for 1 second. Did I understand you to state or did you say that according to your records the increase is $545,000?

Mr. MCSHANE. $545,000, sir.

Mr. ROONEY. Mr. Andretta, is not the actual increase $819,000?

Mr. ANDRETTA. Over what we have now, yes.

Mr. ROONEY. I suggest that you check your records.

Mr. MCSHANE. I shall, Mr. Chairman.

Mr. ANDRETTA. Mr. McShane is talking about the net increase, giving consideration to the proposed supplemental this year.

Mr. ROONEY. In other words, this is going to cost the taxpayer not $545,000, but $819,000 in American dollars?

Mr. MCSHANE. That is correct.

Mr. ROONEY. Have I interrupted you?

Mr. MCSHANE. No, sir.

Mr. ROONEY. It seems to me not enough time has gone by to warrant $819,000.

Mr. MCSHANE. I had made some statements. Possibly you were busy at the moment, Mr. Chairman, and did not hear me. I tried to show the $545,000, where $454,000 would go for mandatory pay increases and the like and of that there would be remaining $91,000, of which $37,000 would be for three additional positions in the middle district of Florida, which would be for a marshal and a chief deputy marshal and a secretary to the marshal.

Mr. ROONEY. What are the grades?
Mr. MCSHANE. The grades would be 13, 10——
Mr. ANDRETTA. Marshal is grade 14.
Mr. ROONEY. They are in here.
Mr. MCSHANE. Grades 14, 11, and 5.
Mr. ROONEY. You did not make a mistake again, did you, Mr. Brown?
Mr. BROWN. It is possible.
Mr. ROONEY. We are glad to see that you did. Where was this mistake made, in Mr. McShane's office or your office?
Mr. BROWN. Which mistake are you referring to?
Mr. ROONEY. GS–5 at $4,347, when it should be 45-something.
Mr. BROWN. I see what has happened there, they have used the old rates before the recent Pay Act increase.
Mr. ROONEY. That is what we have seen. Who is "they"?
Mr. BROWN. My people.

TRAVEL

Mr. ROONEY. What about this requested increase of $37,300 in travel?
Mr MCSHANE. We anticipate, Mr. Chairman——
Mr. ANDRETTA. Travel is running $143,000 short this year.
Mr. ROONEY. Beg your pardon?
Mr. ANDRETTA. Travel as it looks now is going to be $143,000 short this year.
Mr. ROONEY. What is the total in this budget for travel?
Mr. ANDRETTA. The total here for travel——
Mr. BROWN. The amount for marshals is $2,301,000.
Mr. ANDRETTA. That is the overall.
Mr. BROWN. That is right, for travel.
Mr. ROONEY. Is that the 1963 figure?
Mr. BROWN. No, sir. That is the 1964 figure. The 1963 figure is $2,257,000 in round figures.
Mr. ROONEY. This figure includes the $37,300?
Mr. BROWN. That is right, sir.

RENT

Mr. ROONEY. In connection with rent, I note the formula used here is $750 per new live body. Is that because of the Florida sunshine?
Mr. BROWN. The amount for field offices is different from the Washington, D.C. figure. It is $750 elsewhere throughout the country.
Mr. ROONEY. Where is this office going to be located?
Mr. ANDRETTA. Miami.
Mr. ROONEY. Are rents cheaper in Miami than in Washington, D.C.?
Mr. BROWN. This is a standard formula prescribed by the GSA.

REPLACEMENT OF BUSES AND TRUCKS

Mr. ROONEY. What about these buses?
Mr. MCSHANE. There are two buses in particular that we would like to replace, one in Arizona, to replace a 1956 Ford and another one in the northern district of Illinois to replace a 1955 truck.

Mr. ROONEY. This language at page 86 must be incorrect, Mr. Andretta—"Purchase of two buses, including one for replacement only."

Mr. ANDRETTA. That is for buses. We do not need special authority to buy the so-called trucks that we use as small vans. The replacement language is set forth there.

Mr. ROONEY. It would appear when you were here last year you made a slight error in calculation of the expected earnings in fiscal year 1962.

EARNINGS

Last year with regard to marshals we were advised that the estimated earnings for 1962 would be $700,000 as appears from a chart of U.S. marshals workload at page 617 of the hearings printed last year.

It now turns out that the actual earnings in 1962 were $599,006. Is that correct?

Mr. MCSHANE. That is right.

Mr. ROONEY. I note that there was an increase in processes served as between 1961 and 1962. As a matter of fact, between 1960. Let us compare 1960 and 1962. It goes from 655,885 in 1960 to 700,179 in 1962, whereas the earnings in 1960 for the lesser figure came to $763,358, whereas the 700,179 figure earned but $599,006.

What explanation, if any, is there for this?

Mr. ANDRETTA. I would not know, Mr. Chairman, except that some of the processes they had to serve may not have involved the distances they did the year before and because of the character of the services they were not able to charge the mileage or the fees as before. This is going to be increased, we hope, next year, because there is a new fee bill raising rates.

Mr. ROONEY. Maybe your travel figure is too high?

Mr. ANDRETTA. Of course, much of the travel is on Government business so that we do not earn any money on it. We are serving for other governmental agencies, for example.

Mr. ROONEY. Thank you, Mr. McShane and Mr. Riley.

FRIDAY, FEBRUARY 1, 1963.

FEDERAL BUREAU OF INVESTIGATION

WITNESSES

HON. J. EDGAR HOOVER, DIRECTOR
CLYDE A. TOLSON, ASSOCIATE DIRECTOR
J. P. MOHR, ASSISTANT TO THE DIRECTOR
S. A. ANDRETTA, ADMINISTRATIVE ASSISTANT ATTORNEY GENERAL

SALARIES AND EXPENSES

Object classification

[In thousands of dollars]

		1962 actual	1963 estimate	1964 estimate
11	Personnel compensation:			
	Permanent positions	98,439	105,605	113,175
	Positions other than permanent	13	20	20
	Other personnel compensation	5,983	6,339	7,651
	Total personnel compensation	104,435	111,964	120,847
12	Personnel benefits	7,226	7,707	8,325
21	Travel and transportation of persons	5,195	5,324	5,518
22	Transportation of things	676	633	654
23	Rent, communications, and utilities	3,221	3,500	3,923
24	Printing and reproduction	236	201	207
25	Other services	1,683	1,792	1,816
26	Supplies and materials	1,779	1,716	1,785
31	Equipment	2,477	3,382	3,820
42	Insurance claims and indemnities	19	5	5
	Total costs	126,947	136,224	146,900
	Change in selected resources	97	−116	
	Total obligations	127,044	136,108	146,900

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Total number of permanent positions	14,039	14,248	14,798
Full-time equivalent of other positions	2	4	4
Average number of all employees	13,493	13,728	14,278
Number of employees at end of year	13,906	13,925	14,475
Average GS grade	8.0	8.1	8.0
Average GS salary	$7,266	$7,764	$7,748

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Security and criminal investigations:			
(a) Coordination	5,592	5,772	6,095
(b) Maintenance of investigative records and communications system	6,085	6,422	6,928
(c) Field investigations	95,987	103,281	111,486
2. Identification by fingerprints	9,993	10,976	12,050
3. Criminal and scientific laboratory	2,770	2,986	3,297
4. Training schools and inspectional services	1,067	1,216	1,283
5. General administration	5,453	5,571	5,761
Total program costs, funded [1]	126,947	136,224	146,900
Change in selected resources [2]	97	−116	
Total obligations	127,044	136,108	146,900
Financing: Unobligated balance lapsing	134		
New obligational authority	127,177	136,108	146,900
New obligational authority:			
Appropriation	127,216	130,700	146,900
Transfer to "Operating expenses, Public Buildings Service," General Services Administration (75 Stat. 353 and 76 Stat. 728) (−)	−39	−92	
Appropriation (adjusted)	127,177	130,608	146,900
Proposed supplemental due to pay increases		5,500	

[1] Includes capital outlay as follows: 1962, $2,477,000; 1963, $3,187,000; 1964, $3,579,000.
[2] Selected resources as of June 30 are as follows:

	1961	1962	1963	1964
Stores	205	185	185	185
Unpaid undelivered orders	210	327	211	211
Total selected resources	415	512	396	396

Mr. ROONEY. This morning we shall take up the 1964 appropriation request of the Federal Bureau of Investigation. The proposed language begins at page 96 of the committee print and the details with regard thereto are to be found in book 2, under tab 25.

We shall at this point insert in the record pages 25–1 through 25–38 of the justifications.

(The pages referred to follow:)

Summarization—Funds: Fiscal years 1963 and 1964 (direct plus reimbursements)

[In thousands of dollars]

	Direct	Reimbursements	Total
1963 approved	130,700		
1963 transfer to General Services Administration for 1st year rental of space	−92		
Subtotal	130,608		
1963 proposed supplemental due to pay increases	5,500		
1963 total (adjusted)	136,108	1,808	137,916
1964 requested	146,900	1,362	148,262
1964 increase or decrease	[1] +10,792	−446	+10,346

[1] The appropriation requested for 1964 ($146,900,000) represents an increase of $10,700,000 when compared to funds approved for 1963 ($130,700,000) plus supplemental requested to cover pay increases ($5,500,000).

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Detail justification

[In thousands of dollars]

	1962 actual		1963 estimate		1964 estimate		1964 versus 1963	
	Full-year employees	Cost	Full-year employees	Cost	Full-year employees	Cost	Full-year employees	Cost
DIRECT OBLIGATIONS								
Personnel compensation	13,493	104,435	13,728	111,964	14,278	120,847	+550	+8,883
Personnel benefits		7,226		7,707		8,325		+618
Travel and transportation of persons		5,195		5,324		5,518		+194
Transportation of things		676		633		654		+21
Rent, communications, and utilities		3,221		3,500		3,923		+423
Printing and reproduction		236		201		207		+6
Other services		1,683		1,792		1,816		+24
Supplies and materials		1,797		1,716		1,785		+69
Equipment		2,556		3,266		3,820		+554
Insurance claims and indemnities		19		5		5		
Total other objects of expenditure		22,609		24,144		26,053		+1,909
Total direct obligations		127,044		136,108		146,900		+10,792
Estimated savings		133						
Total funds available		127,177		136,108		146,900		+10,792
Nonexpenditure transfer to General Services Administration for 1st year rental of space		(39)		(92)		(0)		(−92)
Appropriation or request		(127,216)		(136,200)		(146,900)		(+10,700)

Detail justification—Continued

[In thousands of dollars]

	1962 actual		1963 estimate		1964 estimate		1964 versus 1963	
	Full-year employees	Cost	Full-year employees	Cost	Full-year employees	Cost	Full-year employees	Cost
OBLIGATIONS PAYABLE OUT OF REIMBURSEMENTS								
Personnel compensation	148	1,365	152	1,370	113	1,058	−39	−312
Personnel benefits		94		93		73		−20
Travel and transportation of persons		111		106		57		−49
Transportation of things		6		5		5		
Rent, communications, and utilities		15		14		12		−2
Printing and reproduction		1		1		1		
Other services		20		18		16		−2
Supplies and materials		14		14		12		−2
Equipment		184		187		128		−59
Total other objects of expenditure		445		438		304		−134
Total obligations payable out of reimbursements		1,810		1,808		1,362		−446
TOTAL DIRECT AND REIMBURSEMENTS								
Personnel compensation	13,641	105,800	13,880	113,334	14,391	121,905	+511	+8,571
Personnel benefits		7,320		7,800		8,398		+598
Travel and transportation of persons		5,306		5,430		5,575		+145
Transportation of things		682		638		659		+21
Rent, communications, and utilities		3,236		[1] 3,514		3,935		+421
Printing and reproduction		237		202		208		+6
Other services		1,703		1,810		1,832		+22
Supplies and materials		1,811		1,730		1,797		+67
Equipment		2,740		3,453		3,948		+495
Insurance claims and indemnities		19		5		5		
Total other objects of expenditure		23,054		[1] 24,582		26,357		+1,775
Total obligations		128,854		137,916		148,262		+10,346
Estimated savings		133						
Total funds		128,987		[1] 137,916		148,262		+10,346

[1] Excludes funds to be transferred to General Services Administration ($92,000).

Obligations by activities

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate	1964 v. 1963
DIRECT OBLIGATIONS				
1. Security and criminal investigations:				
(a) Coordination	5,593	5,772	6,095	+323
(b) Maintenance of investigative records and communications system	6,086	6,422	6,928	+506
(c) Field investigations	96,066	103,165	111,486	+8,321
2. Identification by fingerprints	9,994	10,976	12,050	+1,074
3. Criminal and scientific laboratory	2,770	2,986	3,297	+311
4. Training schools and inspectional services	1,067	1,216	1,283	+67
5. General administration	5,474	5,571	5,761	+190
Total direct obligations [1]	127,044	136,108	146,900	+10,792
Estimated savings	133			
Direct funds available [1]	127,177	136,108	146,900	+10,792
OBLIGATIONS PAYABLE OUT OF REIMBURSEMENTS				
1. Security and criminal investigations:				
(a) Coordination	143	123	119	−4
(b) Maintenance of investigative records and communications system	1	60	28	−32
(c) Field investigations	1,661	1,580	1,211	−369
2. Identification by fingerprints		40		−40
5. General administration	5	5	4	−1
Total obligations payable out of reimbursements	1,810	1,808	1,362	−446
Total obligations [1]	128,854	137,916	148,262	+10,346

[1] See the following:

	1962 actual	1963 estimate	1964 estimate	1964 v. 1963
Exclusive of transfers to General Services Administration for first year rental of space	(39)	(92)	(.....)	(−92)

REPLACEMENT OF AUTOMOBILES

The appropriation request for the fiscal year 1964 makes provision for the purchase of 501 vehicles, the same number as provided for in the fiscal year 1963. The Bureau's investigative responsibilities require a fleet of automobiles capable of providing adequate service in meeting needs ranging from the combating of criminal activities involving "hot pursuit" to investigations concerned with espionage and security activities.

The Bureau's authorized fleet of passenger-carrying vehicles totals 3,104 and this total has not been increased since the fiscal year 1955. Since that time, however, the ever-increasing responsibilities and the increasing population with its shift to expanding suburban areas have placed greater demands upon our available fleet with the result that it has become increasingly difficult to provide our field investigative staff with an adequate number of cars.

To provide adequate service to the spreading population throughout the areas covered by our 55 field offices, we maintain resident agencies in approximately 500 cities and towns, each of which is under the immediate supervision of a field office. We had 1,298 resident agents assigned to these resident agencies as of July 1, 1962. This represents 23 percent of our overall full-year field investigative staff for the fiscal year 1963, and almost without exception each of them must have an automobile assigned. This utilizes 42 percent of our authorized fleet. Thus, the remainder of the investigative staff (77 percent) working out of the headquarters cities has but 58 percent of the fleet at its disposal. As a result, we have an existing critical need for additional automobiles because of such factors as (1) greatly expanded responsibilities and work, (2) widespread growth of the headquarters cities, ruling out the use of public transportation

in many instances and (3) the growing amount of intelligence-type work in the criminal field, such as that which we must do to carry out our responsibilities in connection with the Attorney General's drive against organized crime and which requires additional surveillance work.

Our overall field investigative staff for the fiscal year 1963 totals 5,569. When considered in relation to our present authorized fleet of 3,104 vehicles, this is a ratio of one automobile for every 1.8 agents of our investigative staff. Our request for the fiscal year 1964 provides for an additional 200 full-year special agents in our field service and just to retain the ratio of one car for every 1.8 agents would require an increase of 111 vehicles in our authorized fleet. This, when coupled with the already existing need for more automobiles throughout the field and the fact that no additional cars are available for the 145 special agents authorized for the field service in the fiscal year 1963, indicates that a 200 increase in our fleet of passenger-carrying vehicles—from 3,104 to 3,304—is conservative. With the proposed increase in the authorized fleet total, the ratio of automobiles to our investigative staff will remain approximately the same—one car for every 1.74 agents.

APPROPRIATION LANGUAGE CHANGE

The only appropriation language change for the fiscal year 1964 is that concerned with the purchase of the 501 vehicles, showing that only 301 are to be for replacement. This will have the effect of increasing the authorized fleet total from 3,104 to 3,304 vehicles. The proposed language change to accomplish this is as follows, the italicized portion indicating the change:

"* * * (not to exceed five hundred and one, including one armored vehicle, *of which three hundred and one shall be* for replacement only) * * *."

INTRODUCTION

The appropriation request for the fiscal year 1964 will provide for an additional 550 full-year employees (200 special agents and 350 clerks) when compared to the number provided for in the current fiscal year.

Of the additional employees, 225 clerks are to be utilized to assist in the processing of increasing workloads at the seat of government pertaining to fingerprint checks, name checks, and scientific examinations of our FBI laboratory. All of this work has been on the increase for a number of years and it is expected to continue to mount throughout the fiscal year 1964. The additional clerical personnel at the seat of government is needed so that we may continue to handle the growing volume of work on a current basis.

The other 325 employees (200 special agents and 125 clerks) are for assignment to the field service where there has been a growing amount of work. There has been a particularly heavy volume in regard to criminal offenses and higher volumes are expected to be received during the fiscal year 1964. At the same time, the Government's drive against organized crime requires, and will continue to require, a broad coverage of the criminal element, demanding the continual assignment of a substantial amount of investigative manpower. In addition, items of new legislation designed to bolster the Government's drive on organized crime, and which were enacted since the submission of our request for the fiscal year 1963, have resulted in substantial increases in our work and no funds or personnel have thus far been made available to handle it. Also, we must continue to cope with an increasing volume of work in meeting our internal security and counterintelligence objectives against communism, espionage, and the like. As a result of such factors as these, additional manpower is needed to handle our field investigative work.

The recent developments regarding the Cuban situation will also have a continuing effect upon our overall endeavors at the seat of government as well as in the field.

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 Statute 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."

Section 361 of the Revised Statutes further bestows authority upon the Attorney General to direct any of the Divisions, heads, or Departments under the Department of Justice to perform any duties which he shall direct and in the Appropriation Act for the Legislative, Executive and Judicial Expenses of the Government for the year ending June 30, 1872 (16 Stat. 497), an appropriation was provided for the detection and prosecution of crimes against the United States.

Title 18, Section 3052, United States Code (formerly sec. 300A of title 5, United States Code), as amended January 10, 1951, by Public Law 915, 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 exchange 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 jurisdic-

tion 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 which are furnished to all law enforcement agencies.

Summary of investigative accomplishments

	Fiscal year		1962 increase	
	1961	1962	Number and amount	Percent
Convictions	12,390	12,635	245	2
Total sentences:				
Death sentences	1			
Life sentences	8	6		
Years	35,346	37,100	1,754	5
Fugitives located	9,935	11,163	1,228	12
Automobiles recovered	18,410	18,921	511	3
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	$167,654,622	$174,561,341	$6,906,719	4

NOTE.—The total $174,561,341 of fines, savings, and recoveries recorded during the fiscal year 1962 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 1962.—Convictions were obtained against 96.9 percent of the persons brought to trial during the fiscal year 1962.

Guilty pleas.—Of the 12,635 convictions obtained during the fiscal year 1962, 11,702 (92.6 percent) were on guilty pleas, while the remaining 933 (7.4 percent) were the result of trial before judge or jury.

JUSTIFICATION: SEAT OF GOVERNMENT

IDENTIFICATION BY FINGERPRINTS

The Bureau's volume of fingerprint work continued to increase throughout the fiscal year 1962, reaching a total of 5,832,677 sets of fingerprints, an increase of 336,303, or 6 percent, over the number received during the prior year. The 1962 volume represented an average of 23,146 sets of fingerprints received for handling each workday as compared with a daily average of 20,484 prints in 1960 and 21,811 during 1961.

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 whom a large amount of the work will be performed—and over which we have no control—an estimated 6,200,000 sets of fingerprints will be received for handling during the fiscal year 1964, a daily average of 24,409, and an increase of 6 percent over the high actual volume of receipts during the fiscal year 1962, as follows:

Fiscal year	Volume	Increase over 1960		Increase over 1962	
		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 revised estimate	6,000,000	797,093	15	167,323	3
1964 estimated	6,200,000	997,093	19	367,323	6

NOTE.—The 5,832,677 sets of fingerprints received in the fiscal year 1962 are up substantially from the original estimate of 5,275,000 which was revised to 5,600,000 in the preceding budget for the past year. The fiscal year 1963 estimate, originally shown as 5,700,000, has been revised to 6,000,000. These estimates were revised upward to more nearly conform to the actual trend of receipts.

The outstanding cooperation on the part of all law enforcement and other contributors in submitting fingerprint data has made our national fingerprint file a most effective force in the overall effort of law enforcement in this country to combat crime on a national scale. During the fiscal year 1962, three out of every four police prints handled by our Identification Division were identified

with prior police records on file. Also, during that same fiscal year, 17,568 fugitives were identified by fingerprint searches, many of whom 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 85,017 wanted notices outstanding in our fingerprint file at the close of the fiscal year 1962.

With the daily volume of fingerprint work steadily increasing from 20,484 sets of fingerprints in 1960 to an estimated volume averaging 24,409 sets of fingerprints a day in 1964, it is now necessary that we have additional manpower assigned to our fingerprint operations. The work of the Identification Division must be kept in a current status for its important services to be of maximum value to the Nation.

The Bureau's fingerprint file was established by congressional action in 1924. It has grown over the years to become one of the most productive tools of the law enforcement profession 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, 1962, the fingerprint file contained 165,278,509 sets of fingerprints. Of this total, there were 41,634,413 sets of fingerprints in the criminal file representing an estimated 14,624,225 persons. The civil file contained 123,644,096 sets of fingerprints representing an estimated 62,376,798 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.

The Bureau's name check work has been steadily increasing. During the fiscal year 1962 a total of 1,832,930 name checks were received, an increase of 204,245, or 13 percent, over the volume received during the prior 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 continue its upward trend with an estimated 1,900,000 name checks being referred for handling during the fiscal year 1964, an increase of 67,070 over the actual receipts during the fiscal year 1962, as follows:

Fiscal year	Volume	Increase over 1960		Increase over 1962	
		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 revised estimate	1,900,000	328,166	21	67,070	
1964 estimated	1,900,000	328,166	21	67,070	4

NOTE.—The 1,832,930 name checks received in the fiscal year 1962 exceed substantially the original estimate of 1,600,000 which was revised to 1,650,000 in the preceding budget for the past year. The fiscal year 1963 estimate, originally shown as 1,650,000, has been revised to 1,900,000. These estimates were revised upward to more nearly conform to the actual trend of receipts.

We have made every endeavor over the years to handle the growing name check work with our existing staff, but the volume has so increased that we must now request additional personnel to keep abreast of it.

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 number of scientific examinations received for handling by the FBI Laboratory has been constantly mounting for many years, reaching a new alltime high of 231,456 examinations during the fiscal year 1962. All factors indicate that this upward trend will continue, and it is estimated that a new record high of 235,000 scientific examinations will be received during the fiscal year 1964. Here again, we have been absorbing as much of the increasing work as possible with our existing staff. In face of the steady upward climb in the work, however, it is necessary that we have additional personnel assigned to the FBI Laboratory.

The FBI Laboratory acts as a national service agency and works closely with local police agencies across the land. Each day the value of science as one of law enforcement's most potent weapons is proved in the crime detection laboratory. Through its efforts, lawbreakers who might otherwise have succeeded in cheating justice have been removed from society—and others who were innocent have been cleared. Adequate personnel must be available to maintain the effective and cooperative scientific assistance which the FBI Laboratory extends to law enforcement on all levels across the land.

As a national service agency, all of the facilities of the FBI Laboratory are available on a cost-free basis to municipal, county, and State law enforcement organizations in all parts of the United States, as well as to other Federal agencies. The Laboratory technicians who perform the examination of the submitted material are available for expert testimony in local as well as in Federal courts.

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 1962 together with the estimated volumes to be received for the fiscal years 1963 and 1964, and a breakdown showing the types of agencies for which examinations were made during the fiscal year 1962.

Fiscal year	Number	Increase over 1960		Increase over 1962	
		Number	Percent	Number	Percent
1960 actual	210,745				
1961 actual	224,183	13,438	6		
1962 actual	231,456	20,711	10		
1963 revised estimate	233,000	22,255	11	1,544	
1964 estimated	235,000	24,255	12	3,544	2

NOTE.—The 231,456 scientific examinations received in the fiscal year 1962 exceeded the original estimate of 212,000 which was revised to 226,000 in the preceding budget for the past year. The fiscal year 1963 estimate, originally shown as 228,000, has been revised to 233,000. 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 1962

	Number	Percent
FBI field investigative staff	161,709	70
Other Federal agencies	24,504	30
States, territorial possessions, and foreign countries	45,243	
Total	231,456	100

TRAINING SCHOOLS AND INSPECTIONAL SERVICES

Through legislative enactments and other directives, the FBI has, over the years, been given ever-increasing responsibilities. This, as well as the need for keeping pace with the ever-changing tactics of the criminal and the subversive, has made training a most vital function in maintaining the effectiveness and efficiency of our investigative work and other operations.

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 1962, the FBI participated in 3,666 police training schools attended by 101,865 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. 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 70th session on October 31, 1962, brought the total number of Academy graduates to 4,258. Nearly 29 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 schools base, Quantico, Va. These facilities include the Bureau's modern firearms ranges which are used to provide firearms training of new agents; agents attending in-service 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.

A continuing program of inspections is an integral part of the Bureau's operations. The program is designed to examine and analyze critically all phases of the Bureau's operations—both at the seat of government and in the field—with the objective of appraising and improving, on a continuous basis, the effectiveness, efficiency, and economy of operations as they relate to management, administration, and investigative operations generally.

FIELD JUSTIFICATION

Overall picture.—On December 1, 1962, there were pending in the entire field service, 106,720 investigative matters of all types, of which nearly 6 percent were in a delinquent status.

The Bureau's overall field investigative work continued to mount during the fiscal year 1962 with 637,090 investigative matters being received in the criminal, civil, and security classifications. This is an 8-percent increase over the 591,226 matters received in this overall category in 1961 and marks the seventh consecutive year during which field workloads have been on an upward spiral. The upward trend is expected to continue, it being estimated that 665,000 investigative matters in the criminal, civil, and security classifications will be received for handling during the fiscal year 1964, an increase of 27,910 matters, or 4 percent, over the actual receipts during the fiscal year 1962. 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 1962	
		Number	*Percent*	*Number*	*Percent*
1960 actual	537,335				
1961 actual	591,226	53,891	10		
1962 actual	637,090	99,755	19		
1963 revised estimate	650,000	112,665	21	12,910	2
1964 estimated	665,000	127,665	24	27,910	4

NOTE.—The 637,090 investigative matters received in the fiscal year 1962 far exceeded the original estimate of 563,000 for that year. The fiscal year 1963 estimate, originally shown as 615,000, has been revised upward to 650,000 to more nearly conform to the actual trend of receipts.

New legislation

New legislation passed since the submission of the Bureau's appropriation request for the fiscal year 1963 has added substantially to our work, a total of 9,721 new cases having been opened as of December 1, 1962. No funds have as yet been made available to handle the extensive new work. Thus far, we have absorbed the added work by each member of our investigative staff

shouldering more work than could normally be expected, but this cannot be continued indefinitely. This new legislation includes such items as:

	Date approved	Substance
Public Law 87-197	Sept. 5, 1961	Amends the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce, such as (*a*) hijacking of the aircraft; (*b*) interfering with the flight crew; (*c*) carrying of concealed weapons aboard the aircraft; (*d*) commission of certain crimes while aboard the aircraft; and (*e*) conveying or imparting false information concerning attempts to do any act which would be a crime under the above prohibitions.
Public Law 87-216	Sept. 13, 1961	Prohibits the use of a wire communication facility for the transmission in interstate or foreign commerce of bets or wagers or related information on any sporting event.
Public Law 87-218	do	Prohibits the interstate transportation of wagering paraphernalia.
Public Law 87-221	do	Prohibits the willful destruction of, or injury to, certain property moving in interstate or foreign commerce.
Public Law 87-228	do	Prohibits travel or transportation in interstate or foreign commerce in aid of racketeering enterprises.
Public Law 87-293	Sept. 22, 1961	Provides for the Peace Corps, a new program. The 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 security risk, the investigating agency shall refer the matter to the FBI for the conduct of a full field investigation.
Public Law 87-297	Sept. 26, 1961	Established the U.S. Arms Control and Disarmament Agency. The Civil Service Commission (CSC) is to conduct 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 to be turned over to the FBI for a full field investigation.
Public Law 87-306	do	Amends the statute pertaining to interference with the Government's communications system and increases the scope of the facilities covered.
Public Law 87-342	Oct. 3, 1961	Extends the scope of the Federal Firearms Act to make it unlawful for any person to move any firearm or ammunition in interstate or foreign commerce who has been convicted of a crime punishable by imprisonment for a term exceeding 1 year.
Public Law 87-368	Oct. 4, 1961	Broadens the FBI's jurisdiction to locate local fugitives who have fled across State lines by including under the Fugitive Felon Act all State crimes punishable by death or which are felonies in the place from which the fugitive fled or which, in the case of New Jersey, are high misdemeanors.
Public Law 87-371	do	Amends the interstate transportation of stolen property statute to prohibit the transportation of fraudulent State tax stamps in interstate or foreign commerce.
Public Law 87-420	Mar. 20, 1962	Amends Welfare and Pension Plans Disclosure Act by providing, among other things, for additional sanctions, such as prohibiting false statements and embezzlement of funds.
Public Law 87-664	Sept. 19, 1962	Authorizes the Attorney General to compel the production of documentary evidence required in civil investigations for the enforcement of the antitrust laws, and for other purposes.
Public Law 87-794	Oct. 11, 1962	Trade Expansion Act of 1962. Provides for penalties for false statements, and the like.
Public Law 87-840	Oct. 18, 1962	Amends the Interstate Transportation of Gambling Devices Act by, among other things, extending the act to include any machine or mechanical device designed primarily for gambling.
Public Law 87-849	Oct. 23, 1962	Broadens the scope of criminal laws relating to conflicts of interest, and for other purposes.

Overtime services

To handle the added responsibilities and growing work in the field, our investigative personnel have been performing very substantial overtime services. During the fiscal year 1962 the overtime of our investigative staff amounted to an aggregate 3,547,697 hours, an average of 1 hour and 32 minutes every workday in excess of the minimum requirement of 1 hour and 12 minutes a day on the basis of which overtime benefits are paid under the fringe benefits law.

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 3,547,697 hours of overtime during the fiscal year 1962, which overtime represents the equivalent

of 1,706 agents on a full-year basis. Had it been necessary to employ the additional 1,706 agents represented by this overtime, the cost would have been an estimated $18,276,442. However, under Public Law 763, this overtime service during the fiscal year 1962 was compensated only to the extent of $5,600,681, or a savings of $12,675,761 when compared with the value of the total overtime performed.

The 1964 appropriation estimate contains funds to continue these payments for unscheduled and administratively uncontrollable overtime duty.

It should be noted that Public Law 763 requires a minimum average daily overtime of only 1 hour and 12 minutes to qualify for the limited overtime payments. The average daily overtime being performed by our investigative staff is greatly in excess of this minimum statutory requirement and shows that our investigative staff over the years has been making substantial personal sacrifices—far beyond the normal call of duty—in an endeavor to adequately discharge the tremendous increases in our responsibilities. The amount of overtime service which has been and is being performed by our field staff is excessive and it should not be permitted to continue indefinitely at its present high rate.

Communist Party—U.S.A.

The Communist Party—U.S.A. is part and parcel of the international Communist movement whose ultimate goal is world domination. The party in this country owes its allegiance entirely to the Soviet Union, does everything possible to serve the interests of the Soviets, and continues to accelerate its efforts to infiltrate and manipulate various segments of American life.

In an effort to circumvent the registration provisions of the Internal Security Act of 1950, the party has been functioning on a semiclandestine basis. Among other tactics, party meetings are held less frequently and more surreptitiously. Members have been urged to operate under "umbrella" organizations in order to spread their propaganda and to engage in agitational activities.

Such factors as these indicate that the Bureau's work in keeping abreast of the activities of the Communist Party—U.S.A. will increase. The party in the United States will remain a threat to the security of our country as long as communism strives to attain its goal of world domination. Accordingly, we must assign adequate manpower to cover the many and varied activities of this subversive organization.

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 Communist Party—U.S.A. as an organization; against party officers and against party members. It devolves upon the FBI to furnish the Department with the data to support the prosecutive moves. This requires, and will continue to require, a substantial amount of investigative time and effort to develop the necessary evidence in connection with the prosecutive steps already taken and for use in further proceedings.

Espionage and counterintelligence operations

For over three decades the Soviet Union has directed a concerted espionage attack against the United States and during recent years it has increased its intelligence collection potential by pressing into its service the intelligence facilities of the satellite nations. Utilizing its large complement of intelligence personnel attached to its diplomatic establishments in the United States, the Soviet bloc is steadily intensifying its massive espionage operations against this country.

There is no indication but that our work will continue to mount as the Soviet bloc increases its intelligence activities. Accordingly, it is necessary that we have adequate manpower to handle the many problems in this vital area of our operations.

Criminal operations

The Bureau has been particularly hard pressed to keep abreast of the heavy amount of criminal-type work throughout the field.

Drive against organized crime.—Our extensive coverage of the criminal element as a part of the Attorney General's drive against organized crime has placed very heavy demands upon our available manpower. We must continue the broad intelligence-type investigative activity which we undertook at the outset of the stepped-up drive in January 1961, since we must make every effort to be aware on a current basis of the many and varied activities of the criminal element. The items of new legislation enacted since September 1961 to aid in the drive have, in turn, added new work, a total of 5,184 new cases having been opened as of December 1, 1962, under 3 antigambling laws alone.

Fugitive Felon Act.—The newly amended Fugitive Felon Act has enabled the FBI to give much greater assistance to local and State law enforcement agencies in bringing to justice wanted criminals who have violated local laws and then fled from the confines of the State. Prior to the passage of the amendment on October 4, 1961, the FBI's jurisdiction to locate such fugitives who flee across State lines to avoid prosecution, custody or confinement was limited to specific State crimes. The amendment extended our jurisdiction to cover all State felonies.

An alltime high of 1,878 fugitives were located under this law in the fiscal year 1962, including 770 which came under the expanded jurisdiction and could not have been sought under the old law.

Indicative of the added volume of work resulting from this new amendment is the fact that it had resulted in the opening of 3,998 new cases by December 1, 1962.

Federal parole, probation, and conditional release violator fugitives.—Another source of increased work has been in connection with the location of Federal parole, probation, and conditional release violator fugitives. Since May 1961, on the instructions of the Attorney General, we have undertaken the work involved in the location of all such fugitives, rather than just those where the original prosecution was within FBI jurisdiction, as was the situation theretofore.

The extension of our jurisdiction in this type of work had resulted in 1,054 new cases as of December 1, 1962.

Major criminal violations and special type investigations.—In addition, the work growing out of the regular major criminal violations under our jurisdiction has given rise to a heavy volume of work and this is expected to increase throughout 1964. The handling of this growing amount of criminal work with our available staff has, at the same time, been aggravated by a number of special type investigations which have placed extraordinary demands upon our resources and manpower. The Billie Sol Estes investigation, for example, extended to 46 of our 55 field divisions and a peak of 452 special agents participated.

Bank robbery.—An alltime high of 1,074 violations of the Federal Bank Robbery Statute were reported to us during the fiscal year 1962. This is an increase of 179 offenses over the prior year and included 598 robberies, 303 burglaries, and 173 larcenies of banks, credit unions, and savings and loan associations.

Interstate transportation of stolen automobiles.—The 18,921 stolen motor vehicles located in FBI-investigated cases during the fiscal year 1962 marked a new alltime record under the Interstate Transportation of Stolen Motor Vehicles or Aircraft Statute, as did the 5,416 convictions under the act.

Many of our investigations involve the activities of widespread interstate and foreign automobile theft rings operated by skilled thieves whose purpose is to alter identifying features of the stolen vehicle before its resale to innocent purchasers.

CONCLUSION

The estimates for the fiscal year 1964 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. This request is in the amount of $146,900,000, which would be an increase of $16,200,000 over the amounts appropriated for the current fiscal year.

We are indeed honored to have with us this morning the distinguished Director of the Federal Bureau of Investigation, Mr. J. Edgar Hoover, accompanied by his Associate Director, Mr. Clyde A. Tolson, and Assistant to the Director Mr. John Mohr.

Will you please proceed, Mr. Director?

GENERAL STATEMENT

FUNDS AND PERSONNEL, FISCAL YEAR 1963 VERSUS 1964

Mr. HOOVER. Thank you, Mr. Chairman.

Mr. Chairman and gentlemen of the committee, our direct appropriation request, exclusive of reimbursements, totals $146,900,000. It will provide for 14,278 full-year employees. Direct funds, exclusive of reimbursements, required for the fiscal year 1963 total $136,200,000. This includes $130,700,000 already appropriated and a supplemental appropriation request of $5,500,000 required to cover increased costs resulting from the recently enacted pay raise legislation.

Fiscal year 1963 funds have allowed us 13,728 full-year employees.

Our request for the fiscal year 1964 represents an increase of $10,700,000 when the five and a half million dollars supplemental request is taken into consideration.

OVERALL INCREASE, FISCAL YEAR 1964

Of the $10,700,000 increase, $8,883,205 is for salaries and $1,816,795 is for other expenses when compared with the funds required for the fiscal year 1963.

Our personnel request represents an increase of 550 full-year employees—200 agents and 350 clerks, when compared with the 13,728 which is approved for the current fiscal year.

COST OF ADDITIONAL PERSONNEL

The total amount included in the 1964 request for the 550 additional employees is $3,694,969, of which $3,072,172 is for salary cost and $622,797 for other expenses. The 200 additional special agents requested would enter on duty in Grade GS–10 at $7,290 per year. Of the 350 additional clerical personnel requested, 175 would enter on duty in Grade GS–3 at $3,820 per year and 175 in Grade GS–4 at $4,110 per year.

Of the 550 additional employees requested, 225 clerks are for assignment at the seat of government where they will be utilized to handle increasing workloads in connection with fingerprint checks, name checks, and scientific examinations.

The other 325 employees are for assignment to our field service.

MAJOR FACTORS AFFECTING NEEDS

The Government's drive on organized crime which was accelerated in January of 1961 requires and will continue to require a broad coverage of the criminal element. At the same time, items of new

legislation enacted since September of 1961, designed for the most part to bolster the Government's drive on organized crime, have resulted in a substantial amount of new work and thus far no funds or personnel have been made available to handle it.

I hand the chairman an exhibit which lists 16 new items of legislation.

Mr. ROONEY. Will you tell us how many cases the FBI has handled as a result of this new legislation enacted since the submission of the 1963 budget request?

Mr. HOOVER. 6,843 cases. The exhibit which I have handed to you shows the number of cases received under each piece of new legislation.

Mr. ROONEY. We shall insert this exhibit at this point in the record.

(The exhibit referred to follows:)

NEW LEGISLATION

1. *Crime aboard aircraft.*—Public Law 87–197, approved September 5, 1961, amended the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce, such as (*a*) hijacking of the aircraft; (*b*) interfering with the flight crew; (*c*) carrying of concealed weapons aboard the aircraft; (*d*) commission of certain crimes while aboard the aircraft; and (*e*) conveying or imparting false information concerning attempts to do any act which would be a crime under the above prohibitions. (Cases received as of January 1, 1963, 78.)

2. *Interstate transmission of wagering information.*—Public Law 87–216, approved September 13, 1961, prohibits the use of a wire communication facility for the transmission in interstate or foreign commerce of bets or wagers or related information on any sporting event. (Cases received as of January 1, 1963, 3,060.)

3. *Interstate transportation of wagering paraphernalia.*—Public Law 87–218, approved September 13, 1961, prohibits the interstate transportation of wagering paraphernalia. (Cases received as of January 1, 1963, 1,261.)

4. *Destruction of property moving in interstate or foreign commerce.*—Public Law 87–221, approved September 13, 1961, prohibits the willful destruction of, or injury to, certain property moving in interstate or foreign commerce. (Cases received as of January 1, 1963, 204.)

5. *Interstate travel or transportation in aid of racketeering.*—Public Law 87–228, approved September 13, 1961, prohibits travel or transportation in interstate or foreign commerce in aid of racketeering enterprises, such as travel in furtherance of activities concerned with gambling, liquor, prostitution, narcotics, extortion, and bribery. (Cases received as of January 1, 1963, 1,040.)

6. *Peace Corps Act.*—Public Law 87–293, approved September 22, 1961, provides for the Peace Corps, a new program. The 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. (Cases received as of January 1, 1963, 176.)

7. *Arms Control and Disarmament Act.*—Public Law 87–297, approved September 26, 1961, established a U.S. Arms Control and Disarmament Agency, a new Agency. The Civil Service Commission (CSC) is to conduct 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 to be turned over to the FBI for a full field investigation. (Cases received as of January 1, 1963, 27.)

8. *Interference with Government communications system.*—Public Law 87–306, approved September 26, 1961, amended the statute pertaining to interference with the Government's communications system and increases the scope of the facilities covered. (Cases received as of January 1, 1963, 56.)

9. *Extending scope of Federal Firearms Act.*—Public Law 87–342, approved October 3, 1961, extends the scope of the act to make it unlawful for any person to move any firearm or ammunition in interstate or foreign commerce who has been convicted of a crime punishable by imprisonment for a term exceeding 1 year. (Heretofore, the act applied only to persons convicted of, or fleeing

to avoid prosecution for, a crime of violence, such as murder, kidnaping, rape, and the like.) (Cases received as of January 1, 1963, 6.)

10. *Broadening of Fugitive Felon Act.*—Public Law 87–368, approved October 4, 1961, greatly broadens the FBI's jurisdiction to locate local fugitives who have fled across State lines to avoid prosecution, custody, confinement, or giving testimony by including under the Fugitive Felon Act all State crimes punishable by death or which are felonies in the place from which the fugitive fled or which, in the case of New Jersey, are high misdemeanors. (Heretofore, the unlawful flight to avoid prosecution, custody, or confinement was limited to certain specific types of crimes—murder, kidnaping, burglary, robbery, mayhem, rape, assault with a dangerous weapon, arson punishable as a felony, extortion accompanied by threats of violence, or attempts to commit any of these crimes.) (Cases received as of January 1, 1963, 4,186.)

11. *Broadening of interestate transportation of stolen property statute.*—Public Law 87–371, approved October 4, 1961, extends the coverage of the act to prohibit the transportation of fraudulent State tax stamps in interstate or foreign commerce. (Previously, a portion of the interstate transportation of stolen property statute included the interstate or foreign transportation of forged, altered, or counterfeited checks, bonds, notes, or other evidences of indebtedness. The new amendment specifically makes fraudulent State tax stamps a violation under this portion of the statute.) (Cases received as of January 1, 1963, 4.)

12. *Amending Welfare and Pension Plans Disclosure Act.*—Public Law 87–420, approved March 20, 1962, provided, among other things, for additional sanctions, such as prohibiting false statements and embezzlement of funds. (Cases received as of January 1, 1963, 10.)

13. *Antitrust investigations.*—Public Law 87–664, approved September 19, 1962, authorizes the Attorney General to compel the production of documentary evidence required in civil investigations for the enforcement of the antitrust laws. (Cases received as of January 1, 1963, 1.)

14. *Trade Expansion Act.*—Public Law 87–794, approved October 11, 1962, provides for penalties for false statements, and the like. (Cases received as of January 1, 1963, none.)

15. *Amendment of Interstate Transportation of Gambling Devices Act.*—Public Law 87–840, approved October 18, 1962, among other things, extended the act, effective December 17, 1962, to include any machine or mechanical device designed primarily for gambling. (Cases received as of January 1, 1963, 23.)

16. *Conflicts of interest.*—Public Law 87–849, approved October 23, 1962, broadened the scope of criminal laws relating to conflicts of interest. (Cases received as of January 1, 1963, none.)

Mr. HOOVER. When I appeared before the committee last year we had opened as of January 1, 1962, a total of 3,289 cases as a result of the new legislation. As of January 1, 1963, the cumulative total had reached 10,132, or an increase of 6,843 cases since I appeared before this committee last January.

In addition, there continues to be a heavy volume of criminal work and this is expected to increase throughout 1964.

We also must continue to cope with the expanding problems in our internal security operations which place further demands upon our available manpower.

The handling of this growing volume of work throughout the field has been augmented by a number of special type investigations which have placed extraordinary demands upon our available manpower and resources.

(Discussion off the record.)

Mr. HOOVER. For example, the work required in the Billie Sol Estes investigation extended to 46 of our 55 field divisions, a peak of 452 special agents were used, and our costs through December of 1962 were estimated at $429,109.

A peak of 214 special agents were used in the investigation growing out of the James H. Meredith matter at the University of Mississippi. Our estimated costs to date in that special assignment total $92,993.

Following the dynamite death of an Ohio gangland figure, Charles Cavallaro, and his young son, on November 23, 1962, we started an investigation under the explosives section of the Civil Rights Act of 1960. By January of this year our costs were estimated at $36,375 with a peak use of 47 special agents.

I cite these cases to point out that special assignments do arise, cannot always be anticipated, and require a very large amount of manpower.

OVERTIME

To handle the added responsibilities and growing work throughout the field, our investigative personnel over the years have been performing substantial overtime services.

The 3,547,697 hours of overtime services of our investigative staff during the fiscal year 1962 represented an average of 1 hour and 32 minutes every workday in excess of the minimum requirement of 1 hour and 12 minutes a day for which overtime is paid under the fringe benefits law.

I would like to read to the committee a Bureau letter which was written to all special agents in charge in March of 1961 in order that the committee may understand the policy and the restrictions we place on overtime. The letter reads as follows:

OVERTIME BY SPECIAL AGENT PERSONNEL

In order that there will be no misunderstanding in connection with the performance of voluntary overtime, I wish to restate policies effective in this connection. There is no requirement for anyone to perform a set amount of overtime, except, of course, to qualify for fringe benefits under existing fringe benefit regulations of the Civil Service Commission. The only overtime to be performed is that required by the work itself, which, by its very nature, cannot be performed during regular working hours. Where such work exists requiring performance in excess of normal working hours, the overtime necessary in fairness to all should be equitably shared by all special agents. Variation of a few minutes in overtime performance is not considered to be significant. I want to emphasize that any overtime performed must be necessitated by official business, must be essential, productive, not tailored to individual convenience, and must be equitably shared by all personnel. Special agents in charge, assistant special agents in charge, and supervisory personnel should set the example with regard to equitable sharing of the office workload. Special agents in charge will be held strictly responsible to see that the above policies are carried out fully and completely.

Mr. ROONEY. What was the date of that?

Mr. HOOVER. March 3, 1961.

In addition, we receive each month overtime reports from the field. Where the overtime has been excessive we call it to the attention of the special agents in charge and instruct that they look into it so that it can be kept to a minimum. Last month I signed 39 letters to special agents in charge dealing with that subject matter. We try to keep down the overtime. It must be performed in connection with the investigation of certain types of cases such as kidnaping, bank robberies, and the like.

DETAILS: FUNDS AND PERSONNEL, FISCAL YEAR 1963 VERSUS 1964

I submit an exhibit which itemizes for the fiscal years 1963 and 1964 the number of special agents and clerks for the seat of government and the field service. This tabulation sets forth the amounts for personnel

compensation and other expenses showing the specific increases for the items making up the overall increase of $10,700,000.

Mr. ROONEY. We shall insert this exhibit at this point in the record.

(The exhibit referred to above follows:)

Details: Funds and personnel, fiscal year 1963 versus 1964

	Fiscal year 1963	Fiscal year 1964	Increase
Personnel (full-year employees):			
Seat of government:			
Special agents	478	478	
Clerks	4,419	4,644	225
Total (seat of government)	4,897	5,122	225
Field:			
Special agents	5,489	5,689	200
Clerks	3,342	3,467	125
Total (field)	8,831	9,156	325
Total:			
Special agents	5,967	6,167	200
Clerks	7,761	8,111	350
Total (seat of government and field)	13,728	14,278	550
Funds:			
Personnel compensation	$111,963,658	$120,846,863	$8,883,205
Other expenses:			
Personnel benefits	7,707,478	8,324,667	617,189
Travel and transportation of persons	5,324,330	5,518,330	194,000
Transportation of things	632,606	654,156	21,550
Rent, communications, and utilities	3,592,301	3,923,301	331,000
Printing and reproduction	200,736	207,336	6,600
Other services	1,791,666	1,815,866	24,200
Supplies and materials	1,716,000	1,784,750	68,750
Equipment	3,266,225	3,819,731	553,506
Insurance claims and indemnities	5,000	5,000	
Subtotal, other expenses	24,236,342	26,053,137	1,816,795
Total, all expenses	136,200,000	146,900,000	10,700,000

EXPLANATION OF INCREASE FOR THE FISCAL YEAR 1964

Mr. HOOVER. There are four factors which account for the $8,883,205 increase for personnel compensation.

1. It will cost $3,921,306 more in 1964 to pay the increases provided by the recently enacted pay raise legislation for the 1963 staff. That is a matter over which we have no control.

2. There is an increase of $3,072,172 for 550 additional employees.

3. There is an increase of $916,309 attributable to the cost of two additional workdays in 1964 as compared to 1963. That is a matter beyond our control.

4. There is an increase of $973,418 to continue the Bureau's promotional program throughout 1964. Included in this item is an amount of $87,537 to cover within-grade promotions.

BUREAU'S PROMOTIONAL PROGRAM

Our promotional program has enabled us to retain qualified and experienced personnel. At the same time it is conservative as the funds requested will provide a per annum increase of $119.13 per agent and $33.83 per clerk, or an overall per annum increase of only $70.91 per employee.

I submit to the committee an exhibit which outlines the Bureau's promotional program in detail.

Mr. ROONEY. We shall insert this exhibit at this point in the record.

(The exhibit referred to above follows:)

BUREAU'S PROMOTIONAL PROGRAM

Clerical employees in the Federal Bureau of Investigation, other than typists and stenographers, are appointed in grade GS–2 at $3,560 per annum. Typists are appointed in grade GS–3 at $3,820 per annum. Stenographers are appointed in grade GS–4 at $4,110 per annum.

Fingerprint classifier vacancies in the FBI are filled from the staff of grade GS–2 ($3,560 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 ($3,820 per annum). After 9 months' total service the employee is eligible for consideration for promotion to grade GS–4 ($4,110 per annum). After a total of 18 months of fingerprint work the employee is eligible for consideration for promotion to grade GS–5 ($4,565 per annum). Thereafter, after a total of 30 months of fingerprint work he is eligible for consideration for promotion to grade GS–6 at $5,035 per annum. Fingerprint positions are available only in Washington, D.C.

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 special agents enter on duty in grade GS–10 at $7,290 per annum. After performing duties in this grade for at least 2 years, they become eligible for consideration for promotion to grade GS–11 ($8,045 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 $9,475 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 $11,150 per annum.

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.

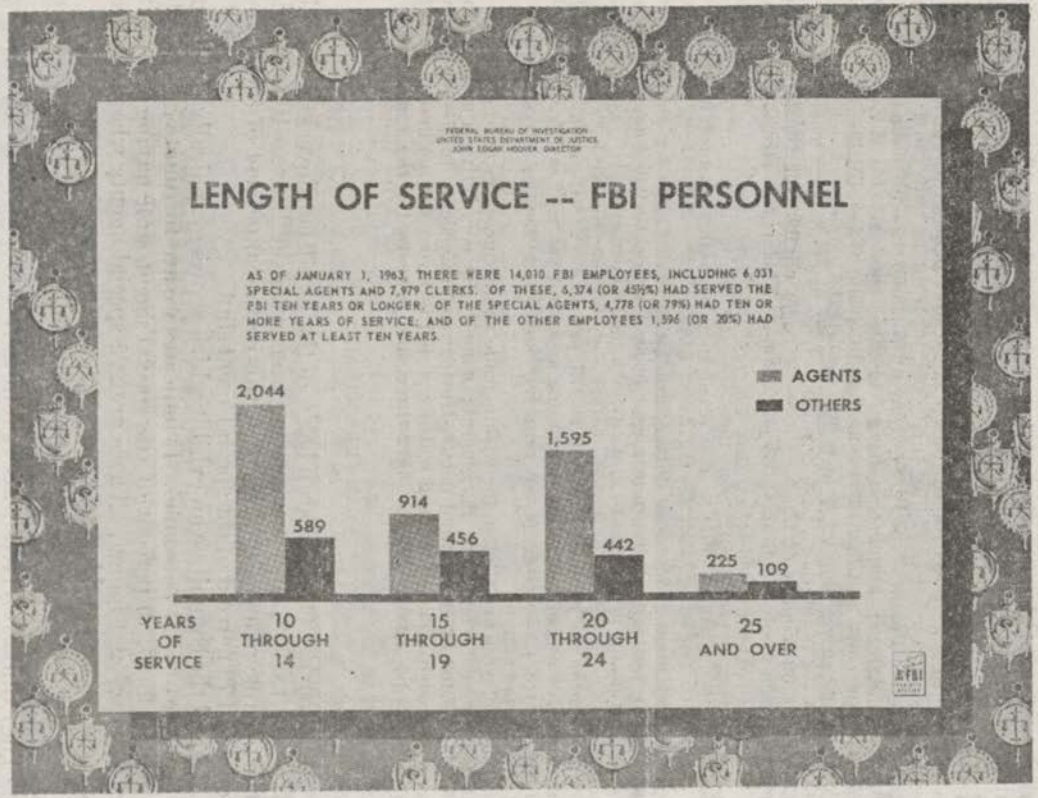
TENURE OF SERVICE

Mr. HOOVER. On an overall basis, of the 14,010 employees on the rolls January 1, 1963, 45½ percent had been with the Bureau 10 years and over. Broken down another way, this covers 20 percent of the clerical force and 79 percent of the special agent staff.

I hand the committee an exhibit which shows graphically the length of service of FBI personnel. It indicates we are fortunate in retaining our personnel, 79 percent of the special agent staff having been with us 10 years and longer. There are 225 special agents who have been with us 25 years and longer.

Mr. ROONEY. Without objection we shall insert this exhibit at this point in the record.

(The exhibit referred to above follows:)


FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE
JOHN EDGAR HOOVER, DIRECTOR
LENGTH OF SERVICE -- FBI PERSONNEL
AS OF JANUARY 1, 1963, THERE WERE 14,010 FBI EMPLOYEES, INCLUDING 6,031 SPECIAL AGENTS AND 7,979 CLERKS. OF THESE, 6,374 (OR 45½%) HAD SERVED THE FBI TEN YEARS OR LONGER. OF THE SPECIAL AGENTS, 4,778 (OR 79%) HAD TEN OR MORE YEARS OF SERVICE; AND OF THE OTHER EMPLOYEES 1,596 (OR 20%) HAD SERVED AT LEAST TEN YEARS.
AGENTS
OTHERS
2,044
589
914
456
1,595
442
225
109
YEARS OF SERVICE
10 THROUGH 14
15 THROUGH 19
20 THROUGH 24
25 AND OVER

PERSONNEL TURNOVER

Mr. HOOVER. The desire of our employees to serve and be made a part of the FBI's career service is reflected in the FBI's low personnel turnover rates.

For example, during December 1962, the turnover rate for our special agent staff was three-tenths of 1 percent. For the Bureau as a whole during the same month it averaged 1.2 percent. The latest available monthly turnover rate for the Federal service (September 1962) as a whole was reported to be 3 percent and 5 in manufacturing industries.

EXPLANATION OF INCREASE—OTHER EXPENSE ITEMS

I shall discuss increases for the "Other expense" items as shown in the exhibit previously presented.

The 550 additional full-year employees account for $622,797 of the overall $1,816,795 increase.

PERSONNEL BENEFITS

The increase of $617,189 for "Personnel benefits" is accounted for by the following factors:

1. There is an increase of $211,297 occasioned by mandatory statutory contributions which the Bureau must make for the 550 additional personnel for health benefits, life insurance, civil service retirement fund and social security taxes.

2. An increase of $38,820 results from a mandatory increase from 3⅛ percent to 3⅝ percent effective January 1, 1963, in the rate of contributions for social security taxes. That again is a legislative requirement.

3. An increase of $8,830 is occasioned by legislation requiring Federal agencies to reimburse the employees' compensation fund, administered by the Department of Labor, in the amount actually paid to their employees in injury and death benefits. For the FBI this amounted to an increase of $8,830. Again that is a matter over which we have no control.

4. An increase of $246,766 is directly related to the higher salaries provided by the new pay raise legislation, which had the effect of raising the employer's contribution to the life insurance fund, civil service retirement fund and for social security taxes.

5. The remaining $111,476 of the overall increase is attributable to increases in "Personnel benefits" contributions which we must make as a result of higher average salaries of the overall personnel staff and because of two additional workdays in 1964.

RENTS, COMMUNICATIONS AND UTILITIES

There is an increase in this item of $331,000 as a result of two factors. An increase of $59,000 is due to communications costs for the 200 additional special agents requested for 1964 at an estimated average expenditure of $295 each.

The remaining $272,000 of the overall increase is attributable to the mandatory postage rate increases effective January 7, 1963. This is an increase over which we have no control.

In this regard, these postage rate increases will add $133,000 to our costs during the last 6 months of the fiscal year 1963 which we are absorbing.

EQUIPMENT

The equipment item shows an increase of $553,506. Of this total, $37,400 is to cover the additional 550 employees at an estimated average expenditure of $68 each.

We have need for special equipment requiring an additional $444,106.

This exhibit gives an explanation in detail as to how that item is broken down.

Mr. ROONEY. We shall insert this exhibit at this point in the record.

(The exhibit referred to above follows:)

Explanation of increase of $444,106 for "special equipment" for fiscal year 1964

1. Coding equipment for line communications (telephone and teletype)	$36,000
2. Photographic, microscopic, spectroscopic, and analytical equipment for FBI Laboratory	78,300
3. Technical investigative equipment for use in field	182,306
4. Replacement of obsolete voice and telegraphic radio transmitters and receivers, and provision for emergency operating equipment for radio communications system	147,500
Total increase, fiscal year 1964	444,106

Mr. HOOVER. The remaining $72,000 of the overall increase for the equipment item is attributable to the fact that the proceeds to be available from the sale of old cars, estimated at $360 each, will not be available to apply against 200 automobiles since we are proposing that of the 501 vehicles being requested only 301 be replacement vehicles. This will serve to increase the fleet by 200 cars and I shall discuss this in detail later.

Mr. HOOVER. The increases shown for each of the remaining items of other expenses are due to the additional 550 employees which we have requested for the fiscal year 1964 and are as follows:

Travel and transportation of persons, $194,000.

Transportation of things, $21,550.

Printing and reproduction, $6,600.

Other services, $24,200.

Supplies and materials, $68,750.

REPLACEMENT OF AUTOMOBILES

The funds requested for 1964 will provide for the purchase of 501 vehicles, the same number as provided for in the current fiscal year. I submit an exhibit which shows our fleet by age and mileage.

You will note there are 951 cars which meet the replacement standards for which we are not requesting funds.

Mr. ROONEY. We shall insert this exhibit at this point in the record.

(The exhibit referred to follows:)

Itemization of FBI authorized fleet of 3,104 passenger-carrying vehicles by year models and estimated accumulated mileage groups for fiscal year 1964, with summary showing vehicles meeting replacement standards during 1964

Miles	1951	1955	1956	1958	1959	1960	1961	1962	1963	Total
0 to 9,999						3	1	56	53	113
10,000 to 19,999				1	1	4	16	146	292	460
20,000 to 29,999				5	7	18	60	144	123	357
30,000 to 39,999				42	27	70	111	89	31	370
40,000 to 49,999				136	44	104	127	33	2	446
50,000 to 59,999		1		222	83	107	81	19		513
60,000 to 79,999	1	1	1	205	178	127	76	13		602
80,000 to 99,999					93	48	25	1		167
100,000 and over					54	20	2			76
Totals	1	2	1	611	487	501	499	501	501	3,104

Summary showing vehicles meeting replacement standards of either 6 years of age or 60,000 miles of operation:

Number meeting mileage standard but not age	637
Number meeting age standard but not mileage	410
Number meeting both age and mileage standard	205
Total number of vehicles meeting replacement standards	1,252
Replacements included in funds requested	301
Number meeting replacement standards for which no funds are being requested	951

Mr. HOOVER. We are presently authorized to maintain an operating fleet of 3,104 passenger carrying vehicles. Our fleet total was last increased by 100 vehicles 8 years ago in the fiscal year 1955 and there has been no increase since that time. That was done in connection with an additional security responsibility which the Bureau assumed in 1955. Since then, because of our ever-increasing responsibilities and the increasing population with its shift to expanding suburban areas, which in turn has placed greater demands upon our fleet, it has become increasingly difficult to provide our special agents with an adequate number of automobiles.

Therefore, to assist in alleviating this need for additional cars it is proposed that our authorized fleet be increased by 200, from 3,104 to 3,304. To do this, 200 of our older cars will not be replaced but will be kept in service for an additional year.

At the start of this fiscal year we had 1,298 resident agents and almost without exception each must have an automobile assigned. These resident agents are stationed throughout the various States out of headquarters offices. These resident agents represent 23 percent of our total 5,569 full-year investigative staff but they utilize 42 percent of the authorized fleet of 3,104 cars.

The balance of the field investigative staff, 77 percent, work out of the headquarters cities but they have only the remaining 58 percent of the fleet at their disposal. With the increasing work and responsibilities along with the growth of headquarters cities ruling out the use of public transportation in many instances, we have a real need for additional cars.

When our overall field investigative staff of 5,569 full-year employees for the fiscal year 1963 is considered in relation to the present authorized fleet of 3,104, there is a ratio of 1 car for every 1.8 special agents making up our investigative staff.

Our request for 1964 will provide for an additional 200 special agents in the field when compared to 1963. The proposed 200 increase in our authorized fleet of cars will leave the ratio of cars to agents substantially the same.

LANGUAGE CHANGE

The only change in our appropriation language for the fiscal year 1964 is that concerned with the purchase of the 501 vehicles. This changed language shows that only 301 of the 501 vehicles are for replacement.

ABSORPTION OF PAY RAISE COSTS, 1963

In regard to the pay increase, I would like to point out we made a study in the Bureau to see whether we could absorb any of the $5½ million needed to defray the pay increase in the fiscal year 1963. We found we could not do so.

We have absorbed the postage rate increase of $133,000 for the fiscal year 1963. In addition, the Bureau absorbed the costs of the additional demands and investigative workloads imposed upon us by recently enacted legislation to which I referred earlier. This legislation has resulted in the receipt of 10,132 new cases for which we have received no funds or personnel.

We have explored every possibility to effect economies but cannot absorb additional costs without impairing the effectiveness and efficiency of Bureau operations.

Mr. ROONEY. Therefore no part of the pay increase has been absorbed?

Mr. HOOVER. That is correct.

Mr. ROONEY. That would mean the increase to which you referred of $10,700,000 is really $16,200,000.

Mr. HOOVER. That is correct, when you do not consider the supplemental we have requested.

REIMBURSEMENTS

The Bureau anticipates receiving reimbursements totaling $1,362,108 during the fiscal year 1964 for work performed for other Government agencies and from the sale of automobiles to be replaced.

I submit an itemization of our estimated reimbursements.

Mr. ROONEY. This would indicate your reimbursements will be almost a half million dollars less than they have been in the previous year?

Mr. HOOVER. That is correct, Mr. Chairman.

Mr. ROONEY. It may very well be that the amount of reimbursements in fiscal year 1964 will be in excess of the amount in this statement. Is that correct?

Mr. HOOVER. That is possible, Mr. Chairman. We do not know from time to time what the requests will be from the chairman of the Appropriations Committee for special agents from the Bureau, which requests we promptly fill. The other items may also vary.

Mr. ROONEY. We shall at this point insert this itemization of estimated reimbursements.

(The exhibit referred to above follows:)

Itemization of estimated reimbursements, fiscal years 1963 and 1964

	Fiscal year 1963	Fiscal year 1964	Increase (+) or decrease (−)
Atomic Energy Commission	$1,212,050	$1,085,000	−$127,050
Workload: Investigations	1,018 at $350 2,282 at 375	1,400 at $375 1,400 at 400	
Total	3,300	2,800	(−500)
Civil Service Commission (United Nations program)	40,466	42,608	+2,142
Workloads: Name checks	202 at 1.56 1,157 at 1.60	679 at 1.60 680 at 1.65	
Total	1,359	1,359	(.....)
Full field (loyalty) investigations	21 at 860 22 at 920	22 at 920 21 at 960	
Total	43	43	(.....)
State Department	32,000	32,500	+500
Workload: Name checks		10,000 at 1.60 10,000 at 1.65	
Total	20,000 at 1.60	20,000	(.....)
House Appropriations Committee (loan of personnel)	262,000		−262,000
Post Office Department	81,877		−81,877
Workload: Name and fingerprint checks	258 at 3.06 25,742 at 3.15		
Total	26,000		(−26,000)
Office of Science and Technology		94,000	+94,000
Workload: Investigations		50 at 920 50 at 960	
		100	(+100)
Subtotal: Reimbursements from other accounts	1,628,393	1,254,108	−374,285
Proceeds from the sale of cars to be replaced	180,000	108,000	−72,000
Number of cars to be replaced	(501)	(301)	(−200)
Total, estimated reimbursements	1,808,393	1,362,108	−446,285

NOTES

The increases in unit costs shown above are due to the pay increases provided by Public Law 87-793 and are effective with receipts on and after Oct. 14, 1962 and Jan. 5, 1964.

The above reimbursable funds provide the following full-year employees:

	Fiscal year 1963	Fiscal year 1964	Increase (+) or decrease (−)
Agents	83	63	−20
Clerks	69	50	−19
Total	152	113	−39

Investigative Accomplishments, Fiscal Year 1962

Mr. Hoover. The investigative accomplishments of the Bureau for the fiscal year 1962 attained new heights during that year. These growing investigative results are not only an indication of the upward trend in crime but they also reflect the growing volume of work.

CONVICTIONS

Convictions in FBI-investigated cases totaled 12,635 during 1962, an increase of 245 convictions over the prior year.

This chart graphically shows this accomplishment and also shows that these convictions represent 96.9 percent of the persons brought to trial in FBI cases, and 92.6 percent resulted from pleas of guilty.

SENTENCES IMPOSED

Sentences were imposed, including actual, suspended, and probationary, totaling 37,100 years, up 1,754 years compared to the previous fiscal year.

I hand the committee a chart which graphically shows that increase.

FUGITIVES

A total of 11,163 fugitives from justice who were wanted by the FBI were located during 1962. This is a sharp increase when compared with 9,935 located during the prior year.

FINES, SAVINGS, AND RECOVERIES

Fines, savings, and recoveries in FBI-investigated cases reached an alltime high of $174,561,341, an increase of $6,906,719 over the total recorded during the past fiscal year. This represents a return of $1.37 for each dollar of direct funds appropriated to the FBI during the fiscal year 1962.

AUTOMOBILES RECOVERED

A new alltime high of 18,921 stolen automobiles which had been moved interstate were located and recovered in cases investigated by the Bureau during 1962.

This chart shows the upward trend of our accomplishments in various categories over the past 3 years. It also shows the amount of funds appropriated to us during these years.

Mr. ROONEY. We shall insert this exhibit at this point.

(The exhibit may be found on facing page.)

ASSISTANCE OF CONFIDENTIAL INFORMANTS

Mr. HOOVER. In addition to aiding us in many of our accomplishments, information made available by our confidential informants greatly assisted other law enforcement agencies in their fight against crime.

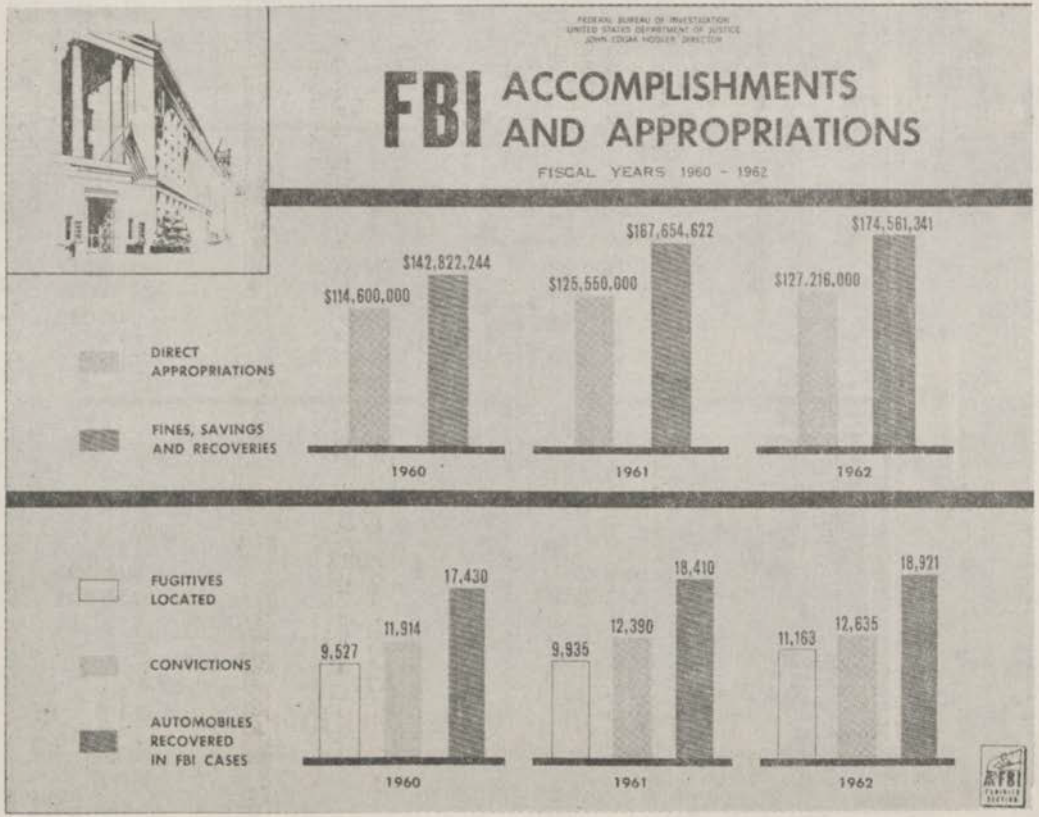
As a direct result of information provided by confidential informants we located 2,503 subjects, including 1,205 fugitives, and we recovered stolen merchandise and contraband valued at over $4 million.

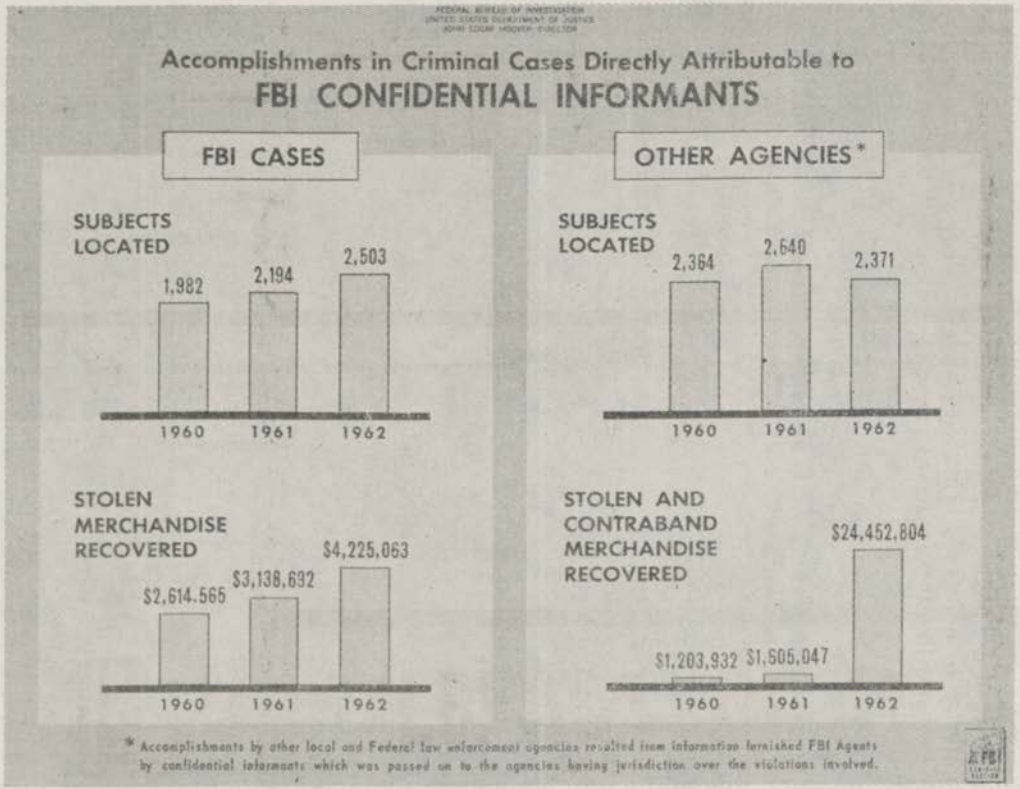
Information received from our informants concerning matters within the investigative jurisdiction of local, State, and other Federal law enforcement agencies were promptly relayed to those agencies and these resulted in 2,371 arrests and the recovery of over $24 million in merchandise.

I hand the committee a chart showing these accomplishments.

Mr. ROONEY. We shall insert this exhibit at this point.

(The exhibit may be found on p. 474.)


FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE
JOHN EDGAR HOOVER, DIRECTOR
FBI ACCOMPLISHMENTS AND APPROPRIATIONS
FISCAL YEARS 1960 - 1962
DIRECT APPROPRIATIONS
FINES, SAVINGS AND RECOVERIES
$114,600,000
$142,822,244
$125,550,000
$167,654,622
$127,216,000
$174,561,341
1960
1961
1962
FUGITIVES LOCATED
CONVICTIONS
AUTOMOBILES RECOVERED IN FBI CASES
9,527
11,914
17,430
9,935
12,390
18,410
11,163
12,635
18,921
1960
1961
1962


FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE
JOHN EDGAR HOOVER, DIRECTOR
Accomplishments in Criminal Cases Directly Attributable to
FBI CONFIDENTIAL INFORMANTS
FBI CASES
SUBJECTS LOCATED
1,982
2,194
2,503
1960
1961
1962
STOLEN MERCHANDISE RECOVERED
$2,614,565
$3,138,632
$4,225,063
1960
1961
1962
OTHER AGENCIES*
SUBJECTS LOCATED
2,364
2,640
2,371
1960
1961
1962
STOLEN AND CONTRABAND MERCHANDISE RECOVERED
$1,203,932
$1,505,047
$24,452,804
1960
1961
1962
* Accomplishments by other local and Federal law enforcement agencies resulted from information furnished FBI Agents by confidential informants which was passed on to the agencies having jurisdiction over the violations involved.

DISSEMINATION OF CRIMINAL INFORMATION

Mr. HOOVER. The tremendous volume of criminal information which the FBI disseminates to Federal, State, and local sources having an interest in it includes, of course, far more than just items from confidential informants. Through our regular investigative activity we develop a vast amount of data of interest to other agencies. This is promptly made available to them. Thus, on an overall basis we disseminated a total of 112,280 items of criminal information during the fiscal year 1962. We, in turn, receive from other agencies data of interest to us. This is real cooperation in law enforcement and makes it possible for the FBI to serve as a clearinghouse for criminal information.

SEAT OF GOVERNMENT—SERVICE FUNCTION WORK

Our service functions at the seat of government pertaining to fingerprint checks, name checks, and scientific examinations are areas in which we have asked for additional personnel. All of this work has been steadily increasing for a number of years. We have been making every endeavor to handle the growing volume with our available staff.

Mr. ROONEY. How many of the proposed new clerks would be assigned to fingerprint work?

Mr. HOOVER. I have that here, Mr. Chairman.

Mr. ROONEY. Is it in the statement?

Mr. HOOVER. Yes, it will be covered in a moment.

All factors indicate that the work will continue its upward trend through 1964 and we must request 225 additional clerical personnel for assignment at the seat of government so we may keep abreast of it.

The last personnel increase granted for the Identification Division was in 1961. The last personnel increase granted for the Files and Communications Division and the Laboratory was in 1951 during the Korean emergency.

I point that out because we have operated without increases in personnel in those divisions in spite of increasing workloads but now find it necessary to ask for additional personnel.

Mr. ROONEY. And there have been no reductions by this committee over all those years?

Mr. HOOVER. Never. We have always been granted the amount for which we have asked and through administrative procedures we have tried to effect efficiency whereby we could continue to operate with the same personnel we have had. We have now reached a point where our efficiency would be impaired without the additional personnel.

FINGERPRINT WORK

Sets of fingerprints received by the Fingerprint Division during 1962 totaled 5,832,677, an increase of 336,303, or 6 percent over the number received during the prior year. This exceeds any workload volume received over the past 16 years. That is why we will need additional personnel.

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 whom the great bulk of work will be performed, an estimated 6,200,000 sets of fingerprints will be received during the fiscal year 1964. This will be a 6-percent increase over the high actual volume received in 1962, and a 19-percent increase over 1960.

The chart which I hand the committee shows the sets of fingerprints received in the Identification Division. You will note from the chart a constant increase each year in the volume of prints received.

Mr. ROONEY. We shall insert this exhibit at this point in the record.

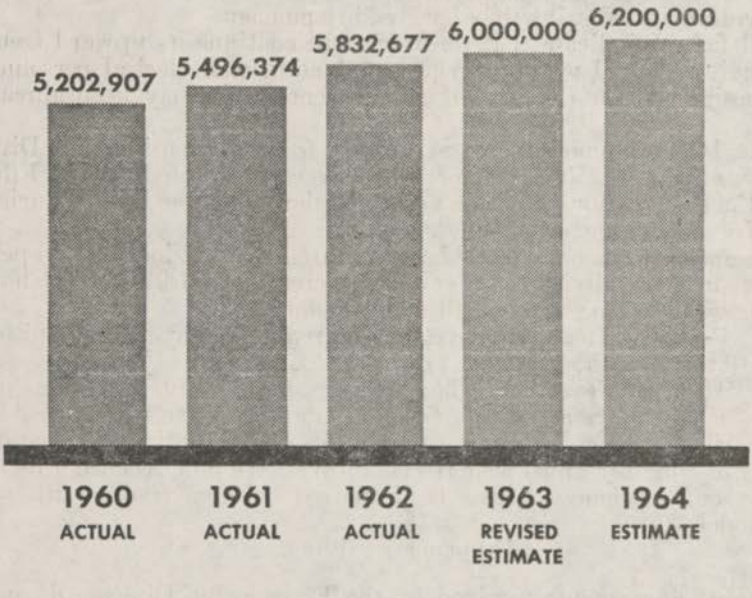
(The exhibit referred to above follows:)

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE
JOHN EDGAR HOOVER, DIRECTOR

FINGERPRINT RECEIPTS

FBI IDENTIFICATION DIVISION

FISCAL YEARS 1960 - 1964



Mr. HOOVER. Looking at the fingerprint work in terms of the average daily number of sets of prints which must be handled each workday, our daily average workload in 1960 was 20,484. In 1961 it rose to 21,811, and in 1962 to 23,146 each day.

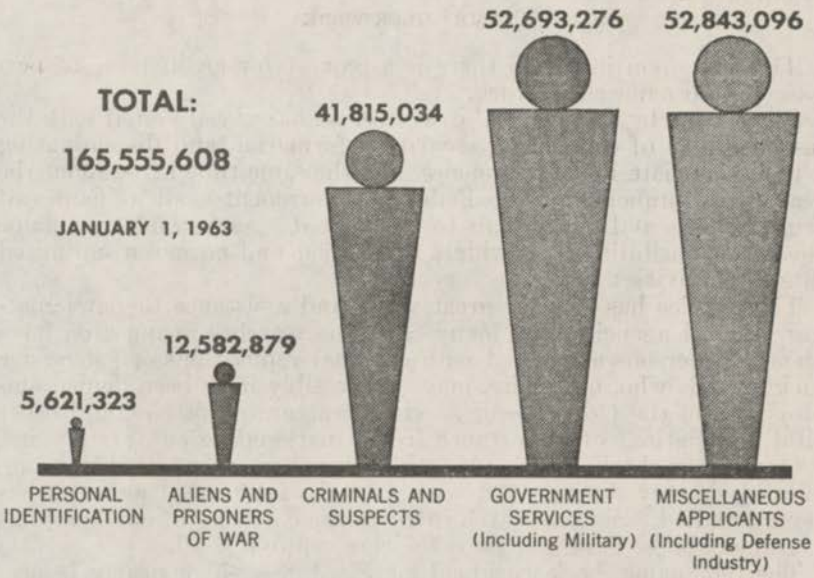
This chart shows a breakdown of the types of fingerprints in our possession.

Mr. ROONEY. We shall insert that exhibit at this point in the record.

(The exhibit referred to above follows:)

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE
JOHN EDGAR HOOVER, DIRECTOR

TYPES OF FINGERPRINTS IN FBI POSSESSION



ESTIMATED PERSONS REPRESENTED:

For the 41,815,034 prints in the criminal file	14,674,292
For the remaining prints totaling 123,740,574 all of which are in the civil file	62,386,571
TOTAL ESTIMATED PERSONS REPRESENTED	77,060,863

VALUE OF FBI FINGERPRINT FILE

Mr. HOOVER. I cannot stress too much the value of the Fingerprint Division to effective law enforcement. It acts as a service agency not only to the Federal Government but to all levels of local law enforcement throughout the United States. Through it we are able to effect the location of criminal fugitives, screen security risks, and identify unknown dead and disaster victims.

Three out of every four police prints processed in our Fingerprint Division are identified with prior police prints on file. A total of 17,568 fugitives were identified through our fingerprint searches during 1962.

I hand to the committee an exhibit which shows the police records processed during 1962 which reflects 75 percent of the prints received were identified with previous police prints. This shows the large volume of criminal repeaters.

NEED FOR ADDITIONAL PERSONNEL

While the services extended by our Fingerprint Division are of great assistance to the Nation and to all law enforcement agencies, our central fingerprint file, to be of maximum value, must be kept current. To assist in this we propose to assign 150 of the 225 additional personnel requested for the seat of government to our Fingerprint Division so that we may keep abreast of this important phase of our work.

NAME CHECK WORK

The next item in which there is a request for an increase of personnel is our name check work.

Since 1939, by Presidential directive, we have been vested with the responsibility of correlating security information and disseminating it to appropriate Federal agencies. At the same time throughout the year many branches of the Federal Government send us names of organizations and individuals to be checked. As a result, our name check responsibilities are widely diversified and cover an unlimited range of activities.

This service has been of great value and assistance to participating Federal agencies. In many cases the searches in question have identified persons associated with criminal reputations or subversive backgrounds who, otherwise, may not possibly have been denied employment in the Government service, strategic industries, and other vital installations of importance from a national defense standpoint.

Our name check work, which also has been steadily increasing, jumped sharply during 1962 with a total of 1,832,930 name checks being handled. Since a search involves the checking of combinations of names, almost 11 million searches were required in all.

The 1962 name check workload increased 204,245, or nearly 13 percent, when compared with the number received during 1961. This is the largest volume of name checks we have been called upon to handle in the past 10 years.

NEED FOR ADDITIONAL PERSONNEL

With the volume of name check work continuing to mount, we plan to utilize 60 of the 225 additional employees being requested on our name check work so that we may continue to handle it on a current basis.

FBI Laboratory

The Laboratory is the third and last branch at the seat of government where we are asking for an increase in personnel.

The Laboratory received a new alltime high total of 231,456 scientific examinations during 1962. This work has been steadily increasing since 1950. The upward trend of our laboratory work can be best portrayed by the chart which I hand to the committee and which shows the increase each year over the last several fiscal years.

We have been absorbing the increasing work since 1951, but we cannot continue to do so indefinitely. For that reason we are asking for the remaining 15 additional clerical employees of the 225 total to be assigned to the Laboratory.

The Laboratory serves the entire Nation. It is a national service agency. It has at its disposal the finest crime detection facilities in the world. The examinations handled relate to a wide range of activities, including both criminal operations and high priority security matters vitally affecting the national welfare.

Requests for scientific assistance emanate not only from the FBI, but also from municipal, county, State and Federal law enforcement agencies. There is no charge for these examinations.

I present a chart which geographically shows by States the number of examinations we made for local law enforcement authorities and without cost. In many of those instances our laboratory technicians appeared and testified as expert witnesses.

VALUE OF SCIENTIFIC EXAMINATIONS

Science is one of law enforcement's most potent weapons. The scientific examination of evidence often provides the essential information which links the criminal to the crime or serves to clear an innocent person.

REFERENCE FILES

Among the facilities of our Laboratory are the numerous reference files which we maintain to assist in making scientific examination. These reference files pertain to such diverse items as automobile paint, tire treads, shoe prints and typewriter and check writer standards. These often enable our experts, after comparing evidence from a crime scene with known standards, to furnish vital data as to the source of the questioned data which leads directly to the solution of the crime.

Our laboratory experts continually adapt new scientific developments, and devise new techniques where necessary, to meet special investigative problems being continually encountered in our criminal and security investigations.

Training Division

With serious crimes being committed with greater frequency than ever before, it is our responsibility to see that there is an intensified and improved training program conducted at all levels. Our Training Division has the important responsibility of supervising the overall training program, which ranges from training of our own staff

to the cooperative assistance we give to police agencies across the country.

FBI NATIONAL ACADEMY

One of our most renowned cooperative training services on behalf of the law enforcement agencies of this country is the FBI National Academy, which was founded on July 29, 1935. There were graduated last October 85 ranking officers from police departments. It was the 70th session. We have graduated 4,258 representatives of law enforcement agencies from the Academy.

There must be close cooperation and coordination of all law enforcement throughout the country. The graduates of the FBI National Academy are in many instances either chiefs of police or ranking officials of their respective agencies.

In addition to making training available to law enforcement officers in this country, the 70th session of the National Academy had six foreign officers in attendance from Colombia, Dominican Republic, Ecuador, Iran, Republic of China, and Thailand. There have been 37 foreign officers who attended previous sessions of the National Academy. In the session which is now being called to assemble in Washington in April, there will be approximately 15 officers from foreign countries throughout the world in attendance.

LOCAL LAW ENFORCEMENT SCHOOLS

Another phase of our cooperative police training work is the State and local police schools. At the request of local law enforcement agencies, we participated in 3,666 police training schools throughout the Nation during the last fiscal year.

LAW ENFORCEMENT CONFERENCES

We also sponsor a nationwide series of law enforcement conferences as an integral part of our cooperative training activities. These conferences not only serve to bring about closer cooperation within the law enforcement profession, but they also provide a medium for the discussion of mutual problems.

The series of conferences held throughout the fall of 1962 were concerned with major criminal violations of interest to the FBI and attending Federal, State, county, and local law enforcement personnel and other interested organizations. These included a discussion of legislation enacted by the 87th Congress which greatly extended our jurisdiction in the fugitive field, enabling us to better assist local law enforcement in locating certain fugitives who have fled across State lines. Also discussed was our responsibility under recent laws regarding interstate gambling activities, which requires the cooperative effort of all law enforcement to choke off vicious gambling rackets which each year pour billions of dollars into underworld treasuries. Another item concerned the increasing violations involving credit cards and fraudulent checks, a matter of vital concern to all police

agencies, along with the services available through the FBI Laboratory and other FBI facilities.

A total of 198 such conferences were held. They were attended by 13,694 persons representing 4,451 law enforcement agencies and 1,310 other agencies, such as banking institutions, credit agencies, hotels, and department stores.

"FBI LAW ENFORCEMENT BULLETIN"

I present to the committee a publication which the Bureau issues monthly, the "FBI Law Enforcement Bulletin."

We commenced publishing it about 30 years ago, in September 1932. It is a professional journal dealing with law enforcement problems and is distributed to local law enforcement agencies.

"THE STORY OF THE FEDERAL BUREAU OF INVESTIGATION"

I hand to the committee a booklet entitled "The Story of the Federal Bureau of Investigation." This was prepared at the suggestion of this committee some years ago and since that time over 1 million copies have been distributed. They cost about 3 cents per copy. It provides information about the background, activities, and accomplishments of the FBI and serves a very useful purpose in furnishing information in answer to many inquiries from students, educational institutions, and other groups throughout the country.

National Crime Trends

Mr. Chairman, I have a statement with charts dealing with crime trends, and if it meets with your approval I would like to insert this in the record.

Mr. Rooney. Very well. We shall insert it at this point in the record.

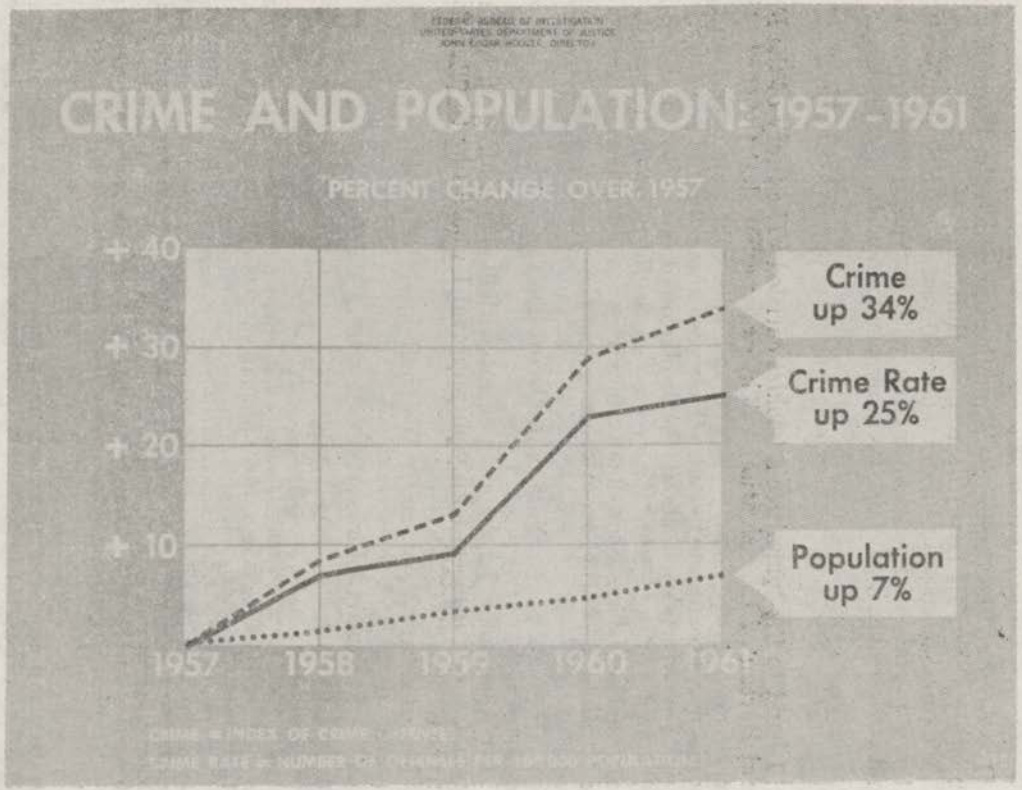
(The statement follows:)

National Crime Trends

During the 1957–61 calendar year period, crime in the United States increased five times faster than the Nation's population. This tragic trend is graphically illustrated by the chart on page 482.

Based on reports from 7,800 law enforcement agencies throughout the country, there were an estimated 1,926,090 serious crimes committed in 1961, a 3 percent increase over 1960. On an average, there was a murder, forcible rape, robbery, aggravated assault, burglary, major larceny or automobile theft every 16 seconds during 1961. The chart on page 483 gives an overall picture of just how frequently these individual serious crimes occurred throughout the country during that year:

Preliminary statistics for 1962 indicate a continuing upward trend of crime. In the first 9 months of 1962, there was a 5 percent increase in serious crimes over the same period in 1961. Auto thefts were up 7 percent; major larceny rose 6 percent; robbery went up 5 percent; aggravated assaults, up 4 percent; burglary, up 3 percent; forcible rape rose 2 percent; and there was a 1 percent rise in murder. This is graphically depicted in the chart on page 484.


CRIME AND POPULATION: 1957-1961
PERCENT CHANGE OVER 1957
+ 40
+ 30
+ 20
+ 10
1957
1958
1959
1960
1961
Crime up 34%
Crime Rate up 25%
Population up 7%

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE
JOHN EDGAR HOOVER, DIRECTOR

CRIME CLOCKS ... 1961

SERIOUS CRIMES

4 EACH MINUTE

MURDER, FORCIBLE RAPE OR ASSAULT TO KILL

ONE EVERY 3 MINUTES

MURDER

ONE EVERY HOUR

FORCIBLE RAPE

ONE EVERY 33 MINUTES

AGGRA-VATED ASSAULT

ONE EVERY 4 MINUTES

ROBBERY

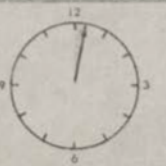
ONE EVERY 6 MINUTES

BURGLARY

ONE EVERY 37 SECONDS

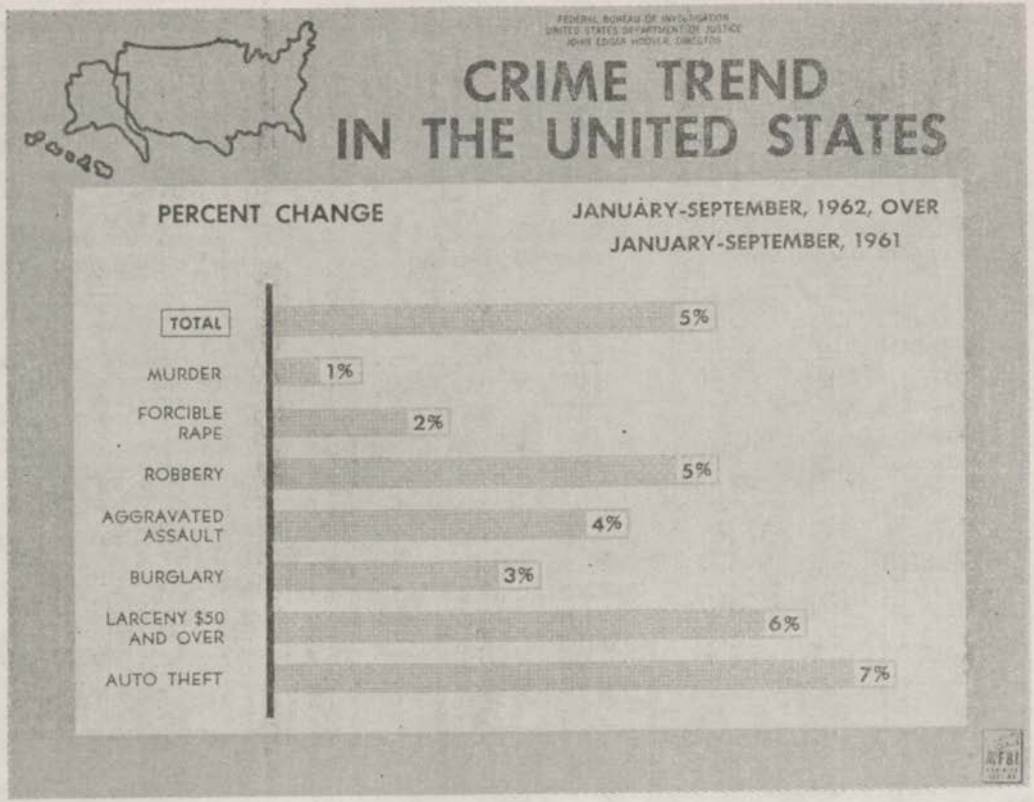
LARCENY ($50 and over)

1 EACH MINUTE



AUTO THEFT

ONE EVERY 1½ MINUTES


FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE
JOHN EDGAR HOOVER, DIRECTOR
CRIME TREND
IN THE UNITED STATES
PERCENT CHANGE
JANUARY-SEPTEMBER, 1962, OVER
JANUARY-SEPTEMBER, 1961
TOTAL
5%
MURDER
1%
FORCIBLE RAPE
2%
ROBBERY
5%
AGGRAVATED ASSAULT
4%
BURGLARY
3%
LARCENY $50 AND OVER
6%
AUTO THEFT
7%

CRIME HIGHLIGHTS

Crime rates, the number of serious offenses in relation to the number of inhabitants, are generally higher in those areas recording the sharpest population increases. Throughout the Nation in 1961, there were 1,053 serious crimes per 100,000 persons. The crime rate in metropolitan areas—cities over 50,000 and their fringes—is three times greater than in rural regions and twice that of nonmetropolitan cities. The upward trend of crime, however, continued at a faster pace in small cities, metropolitan fringe counties, and rural areas than in the heavier populated regions.

Crimes against property—robbery, burglary, major larceny and automobile theft—made up 92 percent of the serious crimes committed in the United States in 1961, burglary alone accounting for 44 percent.

The average value of property stolen in the estimated 852,500 burglaries in 1961 was $187 for a total loss of about $159,419,000. This sum does not include any valuation on the property damaged or destroyed during the commission of the crime. About 40 percent of the burglaries were at residences, and nearly 60 percent of these were committed at night.

The estimated 91,660 robberies in 1961 resulted in losses totaling $24,381,000 for an average of $266. Personal injury and even death frequently accompany this vicious crime.

Crimes of passion, especially aggravated assault and murder, primarily result from human and social problems. A study made in 1961 of 3,008 murders revealed 27 percent of them occurred within the family unit, a large majority of which involved spouse killing spouse. Over half of the slayings resulted from altercations outside the family involving disputes over money or property, lovers' quarrels, drunken fights, and the like. Thirty of the murders were juvenile gang slayings. About 10 percent were committed by felons who killed police officers or private citizens. Male victims outnumbered females about three to one.

Over 8 police officers per 100 were assaulted during the course of duty in 1961, and 71 officers were killed.

POLICE EFFECTIVENESS

More than half of the cash and property stolen in robberies, burglaries, larcenies, and automobile thefts in 1961 was recovered as a result of effective law enforcement work.

The vast majority of crimes against the person are cleared by arrest. In 1961, 93 percent of all murders, 87 percent of the negligent manslaughters, 73 percent of the rapes, and 79 percent of the aggravated assaults were cleared by arrest. Clearance of property crimes occurred in 42 percent of the robberies, 30 percent of the burglaries, 21 percent of the larcenies and 28 percent of the automobile thefts. The sheer volume of property 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.

FACTORS AFFECTING CRIME TREND

The fact that there is an average of just under 2 police employees for every 1,000 inhabitants in the United States clearly shows the great need for citizen alertness and assistance in the fight against crime.

The organized underworld has gained tremendous wealth and power from indifferent and too often corrupt community attitudes. Vital information about the basic vices which support organized crime, especially illegal gambling, has been withheld, even denied, by honest but apathetic citizens.

Crime is not just a police problem; it is a community problem and a national disgrace. Crime is a disgrace because it could be controlled by the law enforcement agencies now in existence if they received the necessary support and assistance of the honest citizens. Regretfully, some citizens give their support instead to the organized underworld. Their dealings with bookies and other "salesmen" of the criminal empire help finance its operations, while their silence provides protection from the forces of law. Certainly our laws, and particularly vice laws, are only as effective as the public concern for their enforcement.

Common carelessness is a major factor in crimes against property. A study of a portion of the burglaries committed in 1961 revealed 21 percent occurred in buildings to which some means of access had been left open. Untold thousands of larcenies result from items of value being left unprotected in public places.

The $22 billion annual bill for crime could be drastically reduced by aroused citizens who take normal precautions to protect their property, refuse to trade with hoodlums and report information about criminal activities.

YOUTHFUL CRIMINALITY

There was a 4-percent increase in 1961 over 1960 in the number of arrests of persons under age 18. A 5-percent jump was recorded in cities, 4 percent in metropolitan counties, and 3 percent in rural areas. Numerically the arrests of young males outnumbered those of young females more than 6 to 1 during 1961. However, the percentage increase of arrests for young females (7 percent) was greater than that for young males (3.9 percent) when comparing 1961 with 1960.

Juveniles were involved in 59 percent of all arrests for automobile theft, 47 percent for burglary, 48 percent for larceny, 22 percent for robbery, 17 percent for forcible rape, 12 percent for aggravated assault, and 8 percent for murder.

The handling of juveniles varies widely in different jurisdictions. Overall, 47 percent of the juveniles arrested in 1961 were released by police with a warning or handled directly by the arresting agency with the parents or private and public welfare agencies. The remainder were referred to juvenile courts, certified to criminal courts for trial as adults, or referred to other law-enforcement agencies.

The great majority of the young people of this Nation are good citizens and are living up to the trust being placed in them. There is, however, an increasing number of young people who are choosing the path of lawlessness. Many are making this choice because they have not received proper training, especially in the home. I am firmly convinced that parental neglect is a major cause, if not the principal cause, of our current growing problem of youthful lawlessness. All possible efforts must be made to see that parents carry out their responsibilities to their offspring. At the same time, juvenile courts and other agencies dealing with delinquent boys and girls must take a realistic instead of a soft approach to the problem. Young people who willfully violate our laws must be shown that they are to be held strictly accountable for their misdeeds.

The law-enforcement effort in meeting the crime problem is very much influenced by the success or failure of the courts, penal institutions, and parole boards in providing deterrence through punishment and rehabilitation through proper treatment and supervision. It is the personal experience of those of us in law enforcement that all too often the same offenders are processed by police agencies time and time again. For instance, as a result of a pilot study last July, a sampling of over 800 individual criminal records indicated an average of 7 arrests each over an average criminal career of 9 years. Another limited study showed that 69 percent of a group of young auto thieves released on parole from the same institution over a 2-year period repeated in crime on the average 10 months after release. Certainly a reduction in the number of offenders who repeat in crime through successful rehabilitation or deterrence would contribute greatly in alleviating the crime problem. There is a great need then to measure the extent and nature of this recidivism problem on the basis of which remedial or corrective action may be suggested.

With this as the objective, the FBI on January 2, 1963, initiated a new statistical program utilizing criminal fingerprint records to analyze the criminal career records and follow the patterns of known offenders. It is expected that this program, again made possible through law-enforcement basic records, will provide guidance and direction to all phases of the administration of criminal justice in the United States.

Mr. HOOVER. I show to the committee a series of charts which are referred to in my statement on crime trends which has been placed on the record. The first one deals with crime and population for the period 1957–61, showing crime up 34 percent and the crime rate up 25 percent, while the population has only increased 7 percent.

Mr. ROONEY. This is an alarming increase over the period of 5 years.

Mr. HOOVER. It is. That is one reason for the increasingly large volume of work which we must handle.

I also refer to the chart showing the crime clocks for the calendar year 1961. This shows four serious crimes were committed each minute; a murder, forcible rape, or assault to kill every 3 minutes; a murder every hour; a forcible rape every 33 minutes; an aggravated assault every 4 minutes; a robbery every 6 minutes; a burglary every 37 seconds; a major larceny every minute; and an auto theft every minute and a half.

PAROLE, PROBATION, AND CLEMENCY ABUSES

During recent months the FBI has noted an increasing number of examples of flagrant abuses of the privileges of parole and probation and has observed an increasing clamor from decent law-abiding citizens for more attention by responsible authorities in protecting the public against vicious depredations by hardened criminals turned loose time and again. Editorial comment has been particularly noteworthy with demands that responsible officials take a more realistic approach to the early release on parole or probation of repeating offenders.

As of January 1, 1963, the FBI Fingerprint Division had wanted notices on 84,648 individuals and of these 18,392 were wanted for parole violation and 4,848 more were wanted for probation violation. They had been turned loose and were being sought by local authorities or the Federal Government. Furthermore, of the 176 fugitives who appeared on the FBI's list of "10 most wanted fugitives" since the beginning of this program in March 1950, 148 have been granted some type of leniency.

While I do not want to overemphasize this subject, I would like to refer to several cases very briefly which show what is happening today. I refer to the case of Roy Allen Nixt, who was charged with slaying a Baltimore police officer on July 2, 1962, and shooting and wounding a Washington, D.C., cabdriver on the same date while on parole from San Quentin Prison, which released him on May 23, 1962, less than 2 months before he committed these crimes. Despite an arrest record dating back to 1938 and several confinements, he had been paroled twice and was free only a little over 1 month before killing a police officer.

Another case is that of John R. Carman, arrested August 14, 1962, in New York City, charged with the rape of a 15-year-old girl, at which time he was on parole after serving part of a 10-to-20-year sentence for the rape of a 26-year-old woman in New York in 1953. He had been released on parole July 9, 1962, and attacked the 15-year-old child a little more than 1 month later.

A case with which you gentlemen are familiar is that of Harry Sylvester Jones, Jr., twice paroled for offenses dealing with housebreaking and other violations of law and whose parole was once revoked when he was arrested on a grand larceny charge. He was identified as the assailant of a congressional secretary in the office of Representative Frank J. Becker, of New York. The woman at the time was praying in a Catholic Church on Capitol Hill during daylight hours on July 23, 1962. Jones additionally admitted committing three rapes during a month's time in the District of Columbia.

I cite these cases, and there are many more, which show the necessity for more careful evaluation of these criminals before being turned loose on the public. I am in thorough accord with the principles of probation, parole and other forms of leniency but I am opposed to the abuses that arise in cases of this kind.

Field Operations

I submit a chart which shows our field offices and resident agencies by location.

We have 55 field offices located throughout the United States and San Juan, P.R. In addition, resident agents are maintained in approximately 500 other cities and towns throughout the country, each being under the direct supervision of a field office. The strategic location of our field offices and resident agencies enables the FBI to provide prompt and efficient attention to all investigations, regardless of whether the matter is a local one or whether it requires widespread work in various sections of the country.

We also have a nominal staff assigned to liaison posts in 11 foreign countries. These representatives have no jurisdiction abroad but serve only in a liaison capacity. This enables us to have foreign leads handled expeditiously and also helps keep the FBI informed of pertinent developments which are of interest to the Bureau within its domestic jurisdiction.

I hand to the committee a chart showing the extent of our foreign liaison operations.

Overall picture of our field investigative commitments

On January 1, 1963, there were pending throughout the field 107,360 investigative matters of all types and nearly 7 percent were in a delinquent status. This represents an average assignment of 20 matters for each special agent, which is excessive.

As with our work at the seat of government the investigative work in the field has continued to expand over the years. The investigative matters received in the overall criminal, civil, and security field during the fiscal year 1962 totaled 637,090, an increase of 8 percent when compared with the 591,226 matters received during 1961.

All factors indicate that the upward trend will continue throughout 1964 and that we can expect to receive a total of 665,000 investigative matters during that year.

This chart shows the increase in investigative matters from 1960 through the fiscal year 1964.

(Discussion off the record.)

Internal Security Operations

Mr. Chairman, I have a short statement I would like to insert in the record. It deals with our responsibilities and operations in the internal security field.

Mr. Rooney. Very well.

We shall insert this statement at this point in the record. I refer to the statement on internal security operations.

(The statement follows:)

INTERNAL SECURITY OPERATIONS

With regard to our investigative responsibilities in the domestic intelligence field, this work has been vested in the FBI for many years by legislative action, by Presidential directives, and by instructions of the Attorney General.

In addition to presenting evidence concerning violations of Federal statutes to the Department of Justice for prosecutive decision, the FBI is responsible for correlating information pertaining to America's internal security and disseminating such data to interested agencies in the executive branch of the Federal Government. Our overall security responsibilities necessitate the development of successful counterintelligence to identify foreign intelligence personnel operating against the United States, the determination of their targets and objectives, and the gathering of all possible information regarding their operations which would be of value to our internal security.

COMMUNIST PARTY, U.S.A.

The Communist Party, U.S.A. today is well organized and it continues to do everything possible to serve the interests of this Nation's most formidable enemy—world communism.

Under the guise of a political organization, it follows every twist and turn of the international line laid down by Moscow. The party owes its allegiance to the Soviet Union which controls the party's activities, insists on strict compliance with Moscow's instructions, and uses the party and its followers as a direct means of furthering the Kremlin's own interest in the United States as well as in other countries throughout the Western Hemisphere.

The Communist Party, U.S.A. performs valuable services for the Soviets. It also serves as a symbol to other Communists throughout the world that international communism has a toehold in the United States, which stands as the strongest remaining bulwark of the Free World against the Communist goal of world domination. Because of these factors, Moscow is determined to keep the party alive in this country.

Mr. HOOVER. Mr. Chairman, if I may go off the record.

(Discussion off the record.)

COMMUNIST PARTY-U.S.A. ACTIVITIES

Mr. HOOVER. I would like to have inserted, Mr. Chairman, a statement which deals with the activities of the Communist Party; its efforts to recruit youth, and appear on various college campuses; the security measures of the party; the strength of the Communist Party and the various fronts which it maintains.

Mr. ROONEY. We shall insert this statement with regard to Communist Party-U.S.A. activities at this point in the record.

(The statement follows:)

COMMUNIST PARTY-U.S.A. ACTIVITIES

On a national scale, the party has continued to concentrate on efforts aimed at smashing existing anti-Communist legislation and on a program designed to expand the party's influence on the American scene. In line with these efforts, the party has broadened the scope of its activities and has been waging a major campaign to voice its propaganda appeals among minority groups and on the campuses of the colleges and universities throughout the Nation. Intensification of these Communist efforts is slated to continue.

In an attempt to establish firm roots among youth, trade unionists and Spanish-speaking Americans, the party is currently devoting attention to three new publications containing propaganda especially aimed at these groups. One of these publications is "Communist Viewpoint" which appeared in October 1962 and which emphasizes topics of special concern to youth and students. "Labor Today," a trade union magazine, made its debut with the spring 1962 issue, and "La Nueva Voz" (The New Voice), a Spanish-language "progressive" newspaper, appeared in July 1962.

YOUTH ACTIVITIES

The intensity of the party's aim concerning youth is probably best demonstrated by statements made by Gus Hall, general secretary of the Communist Party-U.S.A., in May 1962, when he indicated that he had taken personal charge of youth concentration work. The party's aggressiveness in this area is so great that it is now considering for membership individuals who need meet only some of the qualifications heretofore required. For instance, prior exposure to Marxist-Leninist teachings is not required—all that is needed is just an "interest" in the party. Consideration is even being given to lowering the minimum age qualification which is presently 18 years.

An aggressive program of increased public appearances of its spokesmen on college campuses has marked the party's stepped-up campaign to "capture" the minds of American youth. During 1962, party spokesmen appeared before more than 40 student groups, mostly at on-campus sites. In addition to attacking the Internal Security Act of 1950, these Communist speakers also skillfully imparted the party line to students under the cloak of "academic freedom" and "freedom of speech" with espousals paralleling Soviet views on peaceful coexistence, disarmament, nuclear tests, trade with Socialist (Communist) countries and similar issues.

One of the principal objectives of this program of public appearances, which is frequently directed to adult groups as well, is to gain status by appearing on the same platform with legitimate political leaders and educators. It is the party's belief that every public appearance of this nature contributes to the false impression it is trying to create that the party is political and not subversive in nature.

SECURITY MEASURES OF THE PARTY

The security of its operations continues to be a matter of vital importance to the party. Party meetings are secretly arranged and are frequently held under names which bear no connection with the Communist Party-U.S.A. Party members are cautioned against using the telephone for party business and the dates and locations of important meetings are furnished only to those scheduled to attend. For security purposes, party national leaders often hold important meetings at locations other than party headquarters. What few records are kept are in a brief, secretive fashion.

NUMERICAL STRENGTH OF THE PARTY

The Communist Party-U.S.A. wields an influence and constitutes a security danger far out of proportion to its membership. It is organized to penetrate with its ideas and tactics almost every segment of our society. The party need not be nor does it want to be a large mass organization. It prefers to remain small, developing mass strength throughout the front organizations it controls and directs in its own interests. The Communists have always been a small organization in every nation where it has captured power.

Gus Hall, the No. 1 man in this powerful group of dissidents and fanatic democracy haters, has boasted that the American public "definitely" has underestimated the size and influence of the party. In a public statement in February 1962, Hall declared that although the actual membership of the party in this country is around 10,000, there are at least 100,000 "state-of-mind" members whom he defined as persons sympathetic to the party line and objectives.

Benjamin J. Davis, Jr., the party's national secretary, in referring to the party membership in the United States, said there is not a Communist Party in the world that has not gone through a "sort of ebbing of the tide" and specifically pointed out that there was a time when the Communist Party of China had only 3,500 members whereas today it has several million members.

The militancy, the organizational ability, and the discipline exacted by Communist Party members, when considered in contrast to the indifference toward civic activities exhibited by a great number of our citizens, are probably the greatest reasons for the disproportionate strength exerted by the small Communist Party minority within the United States.

FBI COVERAGE OF PARTY ACTIVITIES

Since the Communist Party, U.S.A. carries on many and varied activities to infiltrate and manipulate various segments of American life, we must have broad and penetrative coverage so that we may be aware of the plans and tactics of this subversive organization.

COMMUNIST-FRONT GROUPS

We have approximately 165 known or suspected Communist front or Communist infiltrated organizations under investigation. The party utilizes numerous front organizations to disguise its activities and to lend a semblance of legitimacy and respectability to its operations. These fronts cover any sphere of activity which the party assesses as important to its needs. They are discarded when they have served their purposes. Some of these organizations are created by the Communists, but in many instances the party urges its members to join and infiltrate legitimate nonsubversive organizations and gain control of them. Some of the main interests of the party in this respect are organizations in the peace, youth, political, trade-union, Negro, disarmament, and nuclear testing fields.

(Discussion off the record.)

Telephone Taps

Mr. Hoover. We have throughout the entire country at the present time less than 100 telephone taps. As a matter of fact the actual number today is 95. All are in security cases. In accordance with policy of many years standing telephone taps are utilized only in cases where the internal security of the country is involved, or where kidnapping and extortion may bring about the jeopardy of a human life. The FBI does not have authority to authorize any wiretap. Each one must be authorized in advance and in writing by the Attorney General.

(Discussion off the record.)

Espionage and Counterintelligence Operations

Mr. Hoover. Taking full advantage of the freedoms that exist in our open society, the Soviet Union continues to carry out an espionage and intelligence attack against this country on a scale unequaled in history.

"Communism over God. Russia over the world" is a statement attributed to Soviet Premier Khrushchev, at the 22d Congress of the Soviet Communist Party in October 1961.

The statement accurately describes the Soviet goal, world conquest. In the pursuit of this objective Communists preach "peaceful coexistence" but they continue to apply and carry out an espionage effort, characterized by treachery, deceit, and unlawful activities in an attempt to obtain every conceivable type of information concerning the security of this country.

SOVIET-BLOC TARGETS AND OBJECTIVES

Though the all-out intelligence offensive being carried out against this Nation by the Soviet-bloc countries places current emphasis on the acquisition of information concerning the U.S. missile program, their intelligence objectives are unlimited.

Soviet-bloc intelligence personnel are also making intensive efforts to develop information concerning our airbases and other defense installations. They seek precise information as to the location of these establishments as well as other data that would be of value in any military or sabotage operation.

In addition to other targets, throughout the years the Soviet espionage agents have directed their efforts toward the recruitment of officials and employees of our Government who have access to vital information or who can render important services to the Soviets.

ESPIONAGE ROLE OF SOVIET-BLOC OFFICIAL PERSONNEL

Historically, the official personnel of the Soviet-bloc countries assigned to this Nation, including those at the United Nations, have been used extensively for espionage purposes. Not only have such Soviet-bloc personnel become increasingly active and aggressive, but their numbers have steadily increased.

(Discussion off the record.)

Mr. HOOVER. At the same time the Soviet-bloc intelligence services make full use of their commercial representatives, exchange groups and tourists visiting this country in their efforts to reach their intelligence objectives.

As of January 1, 1963, there were 761 Soviet-bloc official personnel in this country. They were accompanied by 1,066 dependents, some of whom are also trained as intelligence agents.

(Discussion off the record.)

COLLECTION OF UNCLASSIFIED STRATEGIC INTELLIGENCE INFORMATION

Mr. HOOVER. In our Government emphasis is placed upon freedom and the public right to be informed. The Soviet-bloc intelligence personnel take full advantage of this and collect masses of unclassified material which has great intelligence significance.

During the 1962 fiscal year Soviet officials alone made 14 intelligence collection and reconnaissance trips throughout the United States. They visited areas of strategic importance and closely studied industrial facilities and military installations collecting available maps, charts, photographs, and other detailed data of intelligence interest.

Mr. ROONEY. Under what auspices were they traveling?

Mr. HOOVER. They were traveling in their official capacities.

Mr. ROONEY. I thought we had some limitation upon their radius of travel.

Mr. HOOVER. We do but they can get permission to make trips.

(Discussion off the record.)

Mr. HOOVER. During the fiscal year 1962, 95 Soviet-bloc officials attended 65 technical, scientific, and military conferences, exhibits and symposia in various parts of the United States. They collected masses of available information and established initial contact with persons having potential for future intelligence recruitment.

Notwithstanding the restrictions the State Department issued in 1955 prohibiting the acquisition by Soviet citizens of aerial photographs, maps, and charts of a scale of 4 miles to the inch or larger, navigational and hydrographic maps and charts and panoramic photographs or detailed development plans of industrial cities, the Soviet officials have continued to obtain such material wherever possible by means of trickery, deceit, and false representations.

For example, in August 1962, the owner of a map company in New York City identified a Soviet national employed by the U.N. Secre-

tariat as an individual who had for approximately 2 years on several occasions purchased maps while posing at a student. He estimated the Soviet had purchased 200 or 300 maps, including all or nearly all of a series of maps covering the entire United States at a scale of 4 miles to an inch, a number of other maps at the same scale covering various areas of the world, including Canada, Formosa, and the Labrador and Antarctic regions; and a series of maps covering New York State.

(Discussion off the record.)

CUBA

Mr. HOOVER. Now openly alined with the Soviet bloc, Cuba is available as a base for Communist intelligence operations within the Western Hemisphere. Sanctuary for large representations from the Soviet Union, China, and other Communist countries, Cuba—strategically located at the hub of the Americas—represents a growing counterintelligence problem.

Our work in this area is not restricted to countering Cuban intelligence operations, but is complicated by the thousands of Cuban refugees in this country, as well as the activities of both pro- and anti-Castro groups and organizations.

The tremendous upsurge in our work brought about by the various facets of the Cuban problem is reflected in the investigations we have initiated concerning Cuban nationals. In the fiscal year 1960 these numbered 671. During 1962 the number had jumped to 2,053.

CRIMINAL AND CIVIL INVESTIGATIVE OPERATIONS

Mr. HOOVER. We have been particularly hard pressed to keep abreast of the heavy volume of work in the overall criminal and civil category. This work, which grows primarily out of the numerous criminal violations under our jurisdiction and from our responsibilities in connection with the Attorney General's drive against organized crime, has increased materially during the past few years.

EFFECT OF NEW LEGISLATION AND EXTENDED JURISDICTION

New items of legislation enacted beginning in September 1961, have added substantially to our overall workloads in this area of our operations, a total of 10,132 new cases having been opened through January 1, 1963.

Another source of increased work has been in connection with the location of Federal probation, parole, and conditional release violator fugitives. Prior to May 1961, we located such fugitives only in cases where the original prosecution was in a case within FBI jurisdiction. Since then, on instructions of the Attorney General, we have undertaken the work involved in the location of all such fugitives regardless of the original jurisdiction.

This extension of jurisdiction had resulted in the opening of an additional 1,092 new cases as of January 1, 1963.

ORGANIZED CRIME

Mr. HOOVER. Our growing drive against organized crime was particularly bolstered by three of the new statutes enacted into law during September 1961; the interstate transmission of wagering information, the interstate transportation of wagering paraphernalia, and the interstate transportation in aid of racketeering. At the same time, this new legislation brought increases in our work and 5,361 cases have been opened thus far as a result of these 3 statutes alone.

The new statutes have been a distinct help in plugging loopholes and providing jurisdiction where none existed before. We have arrested 120 individuals under the statutes' provisions, and 101 of the 120 have been indicted and 41 have been convicted to date.

At the present time we are conducting approximately 3,000 investigations into the activities of organized crime, including intensified investigation on 80 of the most notorious racketeers and hoodlums in the country. Under this program we have submitted to the Department 13,930 reports on the activities of 3,788 individuals or groups of individuals engaged in various aspects of organized crime.

The drive against organized crime has been marked by close cooperation and the exchange of information between law enforcement agencies at all levels.

FUGITIVE FELON ACT

The impact of the new fugitive felon legislation, as shown in the chart I have handed you, shows an alltime high total of 1,878 fugitives located in 1962 as compared with 1,418 for the prior year.

INTERSTATE TRANSPORTATION OF GAMBLING DEVICES

The scope of the interstate transportation of gambling devices legislation, known as the Johnson-Preston Act, was clarified and broadened as a result of an amendment which became effective on December 17, 1962.

Before this amendment the definition of a gambling device under the old law, as interpreted by the courts, was confined to slot machines. The gambling-device manufacturers circumvented this definition by making and marketing devices such as the electronic point makers which, under the courts' interpretation, did not fall within the definition of a gambling device. As a result, our investigative activity was handicapped. The new amendment, however, extends the provisions of the act to include any machine or mechanical device designed and manufactured primarily for use in connection with gambling and (1) which when operated may deliver, as an element of chance, any money or property, or (2) by operation of which a person may be entitled to receive, as an element of chance, any money or property.

BANK ROBBERY

An alltime high of 1,074 violations of the Federal bank robbery statute were received for handling during the fiscal year 1962. This is an increase of 179 offenses over the prior year and included 598 robberies, 303 burglaries and 173 larcenies of banks, credit unions, and savings and loan associations.

I submit a chart showing the increasing violations reported and convictions obtained for the period 1960–62.

This increase in violations has been brought about, not only by the professional type robber and burglar, but also by persons having only minor or no prior criminal records. The increased number of institutions covered by this statute also contributes to the increase in violations.

I would like to refer briefly to the capture by the FBI of the heavily armed and extremely dangerous Bobby Wilcoxson and Albert Nussbaum within a week apart in November 1962. This case brought to a close one of our most widespread and intensive fugitive investigations. They were on our list of "Ten Most Wanted Fugitives" and the widespread search by all law enforcement extended to border countries and abroad on the chance that the criminals might seek refuge on foreign soil.

Nussbaum was apprehended during the early morning hours of November 4, 1962, by FBI agents at Buffalo, N.Y., after a high-speed automobile chase through downtown Buffalo. When captured, he had a loaded .22 caliber rifle beside him on the front seat of his automobile and two live hand grenades in his pocket. He was disguised in black horn-rimmed glasses, a small black mustache, and his brown hair was dyed black.

On November 10, 1962, FBI agents arrested the heavily disguised Wilcoxson and his girl friend, Jacqueline Rose, who was being sought on charges of aiding and abetting the commission of a bank robbery, as they emerged from their newly rented residence in Baltimore, Md. The arrest was made in such a manner that Wilcoxson was unable to use a loaded .38 caliber pistol with which he was armed.

In changing his appearance, Wilcoxson had his hair dyed grey and shaved to give the appearance of baldness. He had a black mustache and wore glasses.

They have been charged with the robbery of the Lafayette National Bank, Brooklyn, N.Y., on December 15, 1961, during which robbery a bank guard was shot and killed, and a New York City patrolman rushing to the scene was shot and wounded.

They have been scheduled for trial on March 4, 1963.

Mr. ROONEY. Where are they going to try them?

Mr. HOOVER. They will try them in Brooklyn, N.Y.

OTHER MAJOR CRIMINAL VIOLATIONS

The bulk of the numerous major violations under our jurisdiction requires immediate and often widespread investigative activities. This series of six charts, which I hand to the committee, shows our growing accomplishments in various areas in the criminal field:

1. Interstate transportation of stolen motor vehicles reached an alltime high of 18,921 automobiles recovered and 5,416 convictions during the fiscal year 1962.

2. We had an alltime high of 231 convictions and 1,437 fugitives located in connection with escaped Federal prisoners (including parole, probation, and conditional release absconders).

3. Theft from interstate shipment violations resulted in 891 convictions and an alltime high of $3,029,175 in recoveries.

4. Interstate transportation of stolen property violations resulted in recoveries of $12,414,972 and an alltime high of 1,284 convictions during the fiscal year 1962.

5. Fraud against the Government violations resulted in an alltime high of 625 convictions during the fiscal year 1962.

6. We received an alltime high of 2,262 violations reported under the Federal Reserve Act with an alltime high of 526 convictions during the fiscal year 1962.

Civil Rights

We are charged under the law and by direction of the Attorney General with responsibility in the field of civil rights. The results of our investigations are furnished to the Civil Rights Division of the Department of Justice for its consideration and a determination as to whether further action is warranted. Pursuant to policy established by the Department of Justice, full investigations are conducted only upon specific request and authorization of the Department. These, as well as other investigations conducted by the FBI, are handled in an unbiased, prompt, objective, and thorough manner.

Upon receipt of a complaint alleging police brutality, we immediately initiate a preliminary investigation which includes the most thorough type of interview with the victim, the subjects, and witnesses, as well as a review of appropriate records. At the outset of a civil rights investigation which involves police officers or personnel or other public agencies, the head of the agency, as well as the Governor of the State, if a State institution is involved, is contacted.

The volume of work in this area is reflected by 2,085 civil rights cases handled during the fiscal year 1962 as compared with 1,813 during the prior year.

I present a chart, showing by States the number of civil rights cases we have handled during the fiscal year 1962.

In August and September 1962, a number of Negro churches were burned in Georgia. Since the alleged motive was to discourage Negroes from voting, four of these incidents were extensively investigated by the FBI at the request of the Department as possible civil rights violations. One church-burning was solved by FBI agents within hours after it occurred. Since it was not proven that the church was burned to prevent voting activity, there was no basis for Federal prosecution and our evidence was turned over to local authorities who obtained four convictions. In another of the church-burnings investigated by the FBI, the facts were presented to a Federal grand jury which failed to indict and information developed during our investigation has now been turned over to local authorities for possible State prosecution.

Mr. Hoover. Mr. Chairman, that concludes my statement.

Allegations of Mr. Jack Levine

Mr. Rooney. Mr. Director, we have a letter under date of January 28, 1963, addressed to the House Committee on Appropriations by a Mr. Jack Levine, 203 West 90th Street, New York, N.Y. In his letter, Mr. Levine, a former special agent, criticizes the overtime policies and procedures of the FBI.

I believe that you have had an opportunity to become familiar with Mr. Levine's allegations. Will you please advise us of your position in regard thereto?

Mr. HOOVER. Recently, a former employee, Jack Levine, who had been with the Bureau only a short time, began to wage a campaign against me personally and a number of the Bureau's policies and procedures. I have testified earlier today in detail concerning the overtime policies and procedures followed in the FBI.

This individual had voluntarily resigned on August 4, 1961, after serving less than a year, stating it had become necessary for him to return to his home to practice law and to assist his parents. At no time during his brief term of service did he indicate displeasure with the administration of the FBI or submit any suggestions for its improvement. In fact, within a month after resigning he made the first of three requests to be reinstated, professing great interest in making the Bureau his career. His requests were denied because his former record as an employee was substandard.

It was only after being denied reinstatement that this individual—obviously a disgruntled former employee—launched a campaign of vilification against the FBI with utter disregard for the security of the Nation and the oath of office which he took on September 12, 1960, and marked by a total disrespect for the truth. He has visited scores of newsmen, Government officials and other persons, giving progressively more imaginative accounts of the alleged unfair practices and highhanded tactics of the FBI.

We made a thorough inquiry into all of his allegations. They were found to be baseless. During this inquiry, however, we did find that while this individual was an employee he had carried on activities which if known at the time of his resignation would have resulted in its rejection and his dismissal from the service.

Mr. ROONEY. I also have a copy of a telegram under date of October 18, 1962, addressed to Mr. Christopher Koch, acting station manager, WBAI–FM, in New York by the Assistant Attorney General in Charge of the Criminal Division of the Department of Justice, the Honorable Herbert J. Miller, Jr., which I shall now insert in the record.

(Copy of the telegram follows:)

OCTOBER 18, 1962.

CHRISTOPHER KOCH,
Acting Station Manager, WBAI–FM,
New York, N.Y.

Reference your telegram October 16 re interview of Jack Levine. I feel following facts are important: (1) Levine resigned from FBI August 4, 1961; (2) 2 weeks later on August 28, 1961, he wrote the FBI expressing regret and sorrow at resigning and indicating that a career with the FBI had always been his aspiration and continued to be such. He claimed in August 28 letter that he resigned only because of business difficulties in his family and that these have been resolved and he therefore desired reinstatement; (3) he again wrote FBI September 15, 1961, expressing continued interest and a desire for reinstatement; (4) on October 16, 1961, he again wrote the FBI expressing admiration for and loyalty to the FBI. Mr. Levine's request for reinstatement was again refused. It was only after he had been denied reinstatement with the FBI that Mr. Levine began a campaign of vilification against that fine organization. His application for employment as an attorney with the U.S. Department of Justice was additionally denied. I trust these facts will assist you in your judgment of Mr. Levine's allegations which were found to be baseless.

HERBERT J. MILLER, Jr.,
Assistant Attorney General, Criminal Division.

Mr. ROONEY. In addition thereto, we have a copy of an airmail letter addressed to the managing editor of the Chicago Daily News on the same subject by the Honorable Clyde Tolson, Associate Director of the Federal Bureau of Investigation.

(The copy of the letter follows:)

OCTOBER 25, 1962.

Mr. JOHN STANTON,
Managing Editor, Chicago Daily News,
Chicago, Ill.

DEAR MR. STANTON: An article by Milton Freudenheim of your news service has appeared in several newspapers throughout the country which contains a number of highly sensational charges against J. Edgar Hoover and the dedicated men and women of the FBI by Jack Levine.

Mr. Levine voluntarily resigned effective August 4, 1961, after serving less than 1 year, stating that it had become necessary for him "to return to New York City to engage in the practice of law and to relieve my parents of business responsibilities that have become too burdensome for them." At no time during his brief term of service—nor at the time of his exit interview—did he indicate displeasure with the administration of the FBI or submit any suggestions for its improvement. In fact, less than a month after resigning, he wrote Mr. Hoover to request reinstatement as a Special Agent, professing that "a career with" the FBI "has always been my aspiration."

When Mr. Levine's request was denied because his former record was substandard, he again wrote Mr. Hoover, pleading for further consideration. In this letter, he offered the Director full assurance of his "continuing interest and loyalty to the Bureau." And when this also met with an unfavorable response, Mr. Levine replied on October 16, 1961, stating, "I wish, once more, to express my affection for and loyalty to the Bureau."

Several weeks later, Mr. Levine suddenly—and obviously as a disgruntled former employee—launched a campaign of vilification against Mr. Hoover and the FBI; and in pursuing his vindictive course, he has utterly disregarded the security of the Nation. This campaign has been marked by total disrespect for the truth, as well as for the oath of office which Mr. Levine took on September 12, 1960. It has seen him visit the offices of scores of newsmen, Government officials, and other responsible persons—giving progressively more imaginative accounts of alleged unfair practices and highhanded tactics in the service. It has seen him paint an entirely false picture of the personnel policies of the FBI where the facts—including figures which show that more than 80 percent of our special agents have served for 10 or more years, and 30 percent have at least 20 years' service—speak for themselves.

In answering an inquiry regarding Mr. Levine from a radio station last week, Assistant Attorney General Herbert J. Miller, Jr., publicly stated that his allegations "were found to be baseless." Unfortunately, the irresponsible and unsubstantiated charges made by this former employee have received far greater circulation than Mr. Miller's factual appraisal of them. A copy of Mr. Miller's reply to the radio station is attached.

Knowing your newspaper's reputation for fairness and accuracy, I felt certain you would want me to bring these facts to your attention so that they could be passed along to your readers.

Sincerely yours,

CLYDE TOLSON.

Mr. ROONEY. Mr. Director, it would appear from these insertions that Mr. Levine became a special agent of the Federal Bureau of Investigation on September 12, 1960, and resigned on August 4, 1961; is that correct?

Mr. HOOVER. That is correct.

Mr. ROONEY. Are you familiar with the reasons for his resignation given at that time, in the early part of August 1961?

Mr. HOOVER. I am. He stated that it had become necessary for him to return to his home to practice law and to assist his parents.

Mr. ROONEY. Subsequent to that and on August 28, 1961, did he write the Bureau?

Mr. HOOVER. He did, requesting reinstatement.

Mr. ROONEY. Do you have a copy of his letter?

Mr. HOOVER. I do.

Mr. ROONEY. May I have it, please?

We shall insert this letter of August 28, 1961, at this point in the record.

(The letter referred to follows:)

NEW YORK, N.Y., *August 28, 1961.*

JOHN EDGAR HOOVER,
Director, Federal Bureau of Investigation,
Department of Justice, Washington, D.C.

DEAR MR. HOOVER: On August 4, 1961, circumstances at home made it necessary for me to resign my appointment as a special agent. At that time my family's business responsibilities were becoming an increasing burden to them due to the illness of my uncle who has been my father's business associate for the past 20 years. My parents had been urging me to return to New York City to relieve them of some of these responsibilities, and of course, I felt a strong obligation to aid them in their hour of need in return for the many parental sacrifices they have made for me. It was with the greatest regret and sorrow that I took leave of the Bureau. Being a part of this organization of dedicated men which you have molded with such devotion into this universally admired law enforcement agency has been an inspiring experience for me.

A career with the Federal Bureau of Investigation has always been my aspiration and it continues to be such. I sincerely hope that my resignation will not be looked upon by you to be a reflection on my loyalty to or interest in the Bureau as it was not so intended.

The business difficulties of my family have now been resolved and it is my deepest and most profound wish and desire to seek reinstatement as a special agent. I feel confident that my law school background, the valuable instruction which I received in new agent's training and the experience which I acquired in my assignment in the Detroit office will enable me to make a valuable contribution to the Bureau and its work.

During the course of my assignment in the Detroit office, investigations which I conducted led to the conviction of eight Bureau subjects for fraud against the Government and for violations of Federal law relating to Federal Housing Administration matters. I was also engaged in investigations concerning the ability of debtors of the Government to pay debts owing to it. Through my efforts the Government is recovering large sums of money on its claims. In addition I conducted many investigations concerning applicant matters, theft of Government property and the interstate transportation of stolen property.

As my experience in Bureau matters increased there was a corresponding rise in my work capacity and in the complexity of the matters assigned to me as evidenced by my overtime record for the months of April, May, June, July, and August of this year. During these months my overtime average rose from 2½ hours per day to well over 4½ hours per day.

The three performance ratings which I received during the course of my Bureau employment were all satisfactory and I received outstanding ratings in several areas which were considered in appraising my overall performance evaluation. In addition I received the personal compliments of the two supervisors for whom I had worked for my performance under their supervision.

I am presently available for any and all assignments in the event you once again honor me with an appointment as a special agent and I shall eagerly await your reply to this request.

Very sincerely yours,

(S) JACK LEVINE.

Mr. ROONEY. Subsequently did he communicate again with the Bureau?

Mr. HOOVER. He did.

Mr. ROONEY. Under what date?

Mr. HOOVER. Under date of September 15, 1961, and again under date of October 16, 1961.

Mr. ROONEY. Let me go back again to his letter of August 28, 1961. Did you reply to that?

Mr. HOOVER. I did.

Mr. ROONEY. Under what date?

Mr. HOOVER. Under date of September 5, 1961.

Mr. ROONEY. Will you please insert at this point in the record a copy of your letter under date of September 5, 1961?

Mr. HOOVER. I will.

(The letter follows:)

SEPTEMBER 5, 1961.

Mr. JACK LEVINE,
New York, N.Y.

DEAR MR. LEVINE: This will acknowledge receipt of your letter dated August 28, 1961, wherein you request reinstatement as a special agent with the Federal Bureau of Investigation.

Your desire to return to the Bureau is appreciated and you may be assured that your case has been very carefully considered. I regret to advise you, however, that we are unable to reemploy you at this time and it does not appear likely that we shall be able to do so in the near future. Your request for reinstatement will be borne in mind, nevertheless, and you will be contacted if it should become possible for us to utilize your services at some later date.

Sincerely yours,

(Signed) J. EDGAR HOOVER, *Director.*

Mr. ROONEY. Subsequently, as you have said, he again wrote you under date of September 15, 1961. Is that a copy of that letter?

Mr. HOOVER. That is a copy of the letter.

Mr. ROONEY. We shall insert this copy of the letter at this point in the record.

(The letter follows:)

NEW YORK, N.Y., *September 15, 1961.*

JOHN EDGAR HOOVER,
Director, Federal Bureau of Investigation,
Department of Justice, Washington D.C.

DEAR MR. HOOVER: Your letter of September 5, 1961, responding to my letter of August 28, 1961, wherein I requested reinstatement as a special agent was a great disappointment to me as I was looking forward to returning to the Bureau before the skills and experience which I acquired as an agent became dulled by time. I would once more like to take this opportunity to assure you of my continuing interest and loyalty to the Bureau and I am hopeful that perhaps at some future date my request may be reconsidered so that I may be of further service.

Thank you for the prompt attention and thorough consideration that was given my request.

Very sincerely yours,

(S) JACK LEVINE.

Mr. ROONEY. Did you reply to that letter?

Mr. HOOVER. It was acknowledged at the time Mr. Levine personally appeared at the Bureau on October 3, 1961, to press his request for reinstatement. He was then sent a letter advising him he could not be further considered as the result of this personal interview.

Mr. ROONEY. Was that under date of October 6, 1961?

Mr. HOOVER. It was.

Mr. ROONEY. Will you please insert at this point in the record a copy of your letter of October 6, 1961, addressed to Mr. Levine?

Mr. HOOVER. I will.

(The letter follows:)

OCTOBER 6, 1961.

MR. JACK LEVINE,
New York, N.Y.

DEAR MR. LEVINE: Reference is made to your inquiry at the Bureau on October 3, 1961, requesting the possibility of reinstatement as a special agent. Consideration has been given to your request; however, it is not possible to take favorable action.

Very truly yours,

(Signed) J. EDGAR HOOVER, *Director.*

Mr. ROONEY. Following that I believe you said that Mr. Levine communicated with you and the Bureau on October 16, 1961?

Mr. HOOVER. He did.

Mr. ROONEY. Is this a copy of that letter?

Mr. HOOVER. It is.

Mr. ROONEY. We shall insert Mr. Levine's letter of October 16, 1961, at this point in the record.

(The copy of the letter follows:)

NEW YORK, N.Y., *October 16, 1961.*

JOHN EDGAR HOOVER,
Director, Federal Bureau of Investigation,
Washington, D.C.

DEAR MR. HOOVER: I am in receipt of your letter of October 6, 1961, wherein you advised that consideration has been given to my request for reinstatement and that it is not possible to take favorable action. In view of this I feel that I am justified in treating your reply as a final response to my request and I now consider myself at liberty to seek other employment.

I wish, once more, to express my affection for and loyalty to the Bureau and to the cause of law enforcement. If I can ever be of any assistance to the Bureau in the future please feel free to call upon me.

Very sincerely yours,

(Signed) JACK LEVINE.

Mr. ROONEY. Do you know whether or not Mr. Levine also made application to the Department of Justice for a position as an attorney?

Mr. HOOVER. I do.

Mr. ROONEY. Mr. Andretta, as the Administrative Assistant Attorney General to the Department of Justice, are you familiar with what happened to Mr. Levine's application for employment as an attorney with the Department of Justice?

Mr. ANDRETTA. I understand that he applied to the Deputy Attorney General's Office for a position as an attorney in the Department and he was turned down.

Mr. ROONEY. Mr. Director, I understand that this Jack Levine has also made certain other allegations against you and the Federal Bureau of Investigation; am I correct?

Mr. HOOVER. That is correct.

Mr. ROONEY. Has he gone into the matter of anti-Negro attitudes of the Federal Bureau of Investigation?

Mr. HOOVER. That has been one of the charges he made.

Mr. ROONEY. What are the facts with regard to the attitudes of the Federal Bureau of Investigation in this field?

Mr. HOOVER. The Bureau has never, at any time, had any policy of discrimination in regard to applications of anyone, because of race, color, creed, or national origin. That applies to applicants of the Negro race. The Bureau has in its service, and has had in its service, for some time Negro employees at various grades including special

agents, as well as clerks, both male and female. All applications received by the Bureau are screened and the applicants having the qualifications for the position are interviewed, tested and thoroughly investigated to determine their suitability for employment. This procedure is applied to the Negro race as well as any other.

We have colored employees in Washington, Los Angeles, Chicago, New York City, Miami, St. Louis, Cincinnati, Baltimore, and in other areas.

Mr. ROONEY. I believe that Mr. Levine also criticized the Bureau with regard to anti-Semitic attitudes. What are the facts in that regard?

Mr. HOOVER. Mr. Chairman, it is a fact that my first Assistant Director, after I became Director in 1924, was a Jewish gentleman by the name of Harold Nathan who remained as Assistant Director until shortly before he retired because of age and health in 1945. Mr. Nathan is now living in San Francisco and remains in close contact with the Bureau.

There are in the Bureau a number of officials of Jewish extraction. Mr. Al Rosen who is Jewish has been an Assistant Director since 1942.

In addition, there are employees of Jewish extraction in supervisory and other positions in many of our field offices. Any allegation to the effect that the Bureau is anti-Semitic is just a malicious lie.

Mr. ROONEY. I have here a photograph published in the Washington Post and Times Herald of December 12, 1962, purporting to show Mr. Levine being hustled from the hearing room of the House Committee on Un-American Activities. Could you briefly tell us what happened on that occasion?

Mr. HOOVER. From the knowledge I have of the articles in the newspapers, Mr. Levine was not a witness before the committee. He was sitting in the audience and rose and made a demonstration against the committee which was then in session and holding hearings. Upon making this demonstration, the police officers assigned to the committee removed him from the room.

Mr. MOHR. Mr. Chairman, may we insert in the record at this point an item which appeared in a Chicago newspaper concerning Mr. Levine's appearance before the House Committee on Un-American Activities?

Mr. ROONEY. Yes.

(The item referred to follows:)

[From the Chicago Daily Tribune, Chicago, Ill., Dec. 12, 1962]

THREE DEFY PROBE OF RED ROLE IN PEACE "STRIKE"—EX-FBI AGENT OUSTED AFTER OUTBURST

(By Joseph Hearst)

WASHINGTON, December 11.—Two women who invoked the protection of the fifth amendment to avoid answering when asked whether they were or had been members of the Communist Party were wildly applauded by a crowd of 400 women today at a hearing before a House Un-American Activities Subcommittee.

A third woman, who said she has not been a member of the Communist Party for more than 5 years, also got a hand from the crowd, which jammed the big House caucus room as hearings were opened in an effort to determine whether Communists have infiltrated the Women Strike for Peace movement.

Although Representative Clyde Doyle, Democrat of California, had threatened to clear the room if there were any demonstrations, he did not carry through against the women but he did have Jack Levine, a former Federal Bureau of Investigation agent, ejected.

"A PATRIOTIC CITIZEN"

Levine leaped to his feet and shouted:

"I am a patriotic citizen and a former FBI agent. I petition you to end these hearings before you heap further disgrace upon the American people."

The crowd applauded Levine as three Capitol policemen closed in on him and led him from the room. Levine resigned from the FBI after 11 months' service and wrote an article critical of the FBI and its Director, J. Edgar Hoover.

Outside the hearing room, speaking before TV cameras, Levine said he is not a Communist, and denounced the hearing as an effort to blanket the peace movement as Communist inspired—which he asserted it isn't.

Levine's outburst occurred when Representative William M. Tuck, Democrat of Virginia, asked Mrs. Blanche Posner, of Scarsdale, N.Y., whether she honestly feared criminal prosecution if she told the committee whether she was an officer of a branch of the Strike for Peace movement. She had invoked the fifth amendment 46 times when that question was asked.

CREATED "SPONTANEOUSLY"

Mrs. Posner invoked her constitutional privilege to avoid answering questions about her role in the peace movement, its organization setup, and whether she is acquainted with Mrs. Dagmar Wilson of Washington, who says she conceived and founded the movement.

Mrs. Posner also invoked the fifth amendment when asked whether she was a member of the Dewitt Clinton High School "faction of the Communist Party" when she was a schoolteacher.

Mrs. Posner, a middle-aged woman who said she was born in Austria and is an American citizen, said she thanked God for the Constitution that protects the rights of citizens.

Mrs. Ruth E. Meyers, of Roslyn, N.Y., invoked the first amendment when asked about her associations in the movement, and the fifth when asked whether she is now or has been a member of the Communist Party.

Asked whether she was taking directions from any Communist Party functionary, she said the question was an "insult to any American."

Mrs. Lyla Hoffman, of Great Neck, N.Y., where she said she helped organize the movement, invoked her constitutional privilege several times, but did say that she is not now a member of the Communist Party and has not been for more than 5 years.

Mr. ROONEY. Mr. Slack?

Mr. SLACK. No questions.

MEMBERS OF COMMUNIST PARTY, U.S.A.

Mr. SMITH. Mr. Hoover, do you have available the number of Communists in the United States of American citizenship?

Mr. HOOVER. About 98 percent of the members of the Communist Party, U.S.A. are American citizens. Gus Hall, who is the head of the Communist Party in America stated in February 1962 that they have about 10,000 members in the Communist Party and in addition they have about 100,000 sympathizers who follow the Communist line.

Mr. SMITH. You think that would be fairly accurate?

Mr. HOOVER. I believe that would be fairly accurate.

Mr. SMITH. Do you have any breakdown by States?

Mr. HOOVER. No, we do not.

INCREASE IN CRIME

Mr. SMITH. I noticed in the exhibit concerning crime and population that in 1961 and 1959 crime increased at about the same rate as the population increase.

In 1960, it was about 13 percent as much.

Mr. HOOVER. There was a marked increase in 1960.

Mr. SMITH. Do you have any explanation why, in that 1 year, it should be so much different than the rest?

Mr. HOOVER. Mr. Congressman, there are a great many factors affecting the increase of crime. These include the density of population and the size of the community and the adjacent metropolitan area; the composition of the population, especially with reference to age, sex, and race; economic status of the population; climate, including seasonal weather conditions; education, recreational, and religious facilities in the community; effective strength of the police force and the policies of the prosecuting officials and courts; standards regarding appointments to the police force and the efficiency of these agencies; and the attitude of the general public toward law enforcement problems.

The tremendous mobility and instability of our population also are factors. I feel that the general moral decay which has taken place in our Nation, the decline of parental authority, public apathy toward the crime problem, unwarranted and unrealistic lenient treatment of willful and hardened criminals, and the lack of citizen cooperation with law enforcement agencies are among the most important factors.

Mr. SMITH. Let me put it another way. Why would you say we have had such an improvement since 1960?

Mr. HOOVER. An improvement in what respect?

Mr. SMITH. Crime compared to population?

Mr. HOOVER. There has been slight improvement in 1961 compared to 1960 but crime still exceeded the population growth.

Mr. SMITH. According to your graph, it went up 13 percent in 1960 and then it slacked clear off to just about 2 percent in 1961.

Mr. HOOVER. I think, if you will look at the chart, you will see that in 1960, the middle line, that shows the crime rate up 25 percent. The one above it, the dashed line, shows crime up 34 percent over 1957.

Mr. SMITH. But by years you will find that almost all the increase came between 1959 and 1960 and then it tapered clear off.

Mr. HOOVER. There was a smaller increase in 1959 than there has been in the last 2 years.

Mr. SMITH. As a matter of fact, it was very small, but in that 1 year it was very bad. I just wondered if there is any explanation for that 1 year being so bad compared to the rest?

Mr. HOOVER. You mean 1960?

Mr. SMITH. Between 1959 and 1960.

Mr. HOOVER. Yes, I see. There is no answer that can be given as to the specific reason for it as I previously indicated. There are many factors that enter into it. There is no particular factor that you can put your finger on as to why there was such a jump from 1959 to 1960. Crime is continuing to go up even this year. The figures for the first 9 months of the calendar year 1962 show an increase of 5 percent in crime.

Mr. SMITH. Does the unemployment rate have any relation to this?

Mr. HOOVER. It could have a bearing on it. I think the "dropouts" from school play a part since some of them do not or cannot get a job.

Mr. SMITH. I thought the slump was a little bit more severe in our economy at the time the crime rate increased drastically.

Mr. HOOVER. That is entirely possible and that could very well be one of the reasons for it.

PERSONNEL TURNOVER RATE

Mr. SMITH. I noticed some of the other divisions that were up here said that their turnover had been very high among their lawyers because they did not have good enough salaries. Yet, their salary rates were as good or better than yours, but you have almost no turnover.

Mr. HOOVER. We have a three-tenths of 1 percent turnover rate per month for our special agent personnel. It is a very small percentage, being among the lowest in Government and lower than industry.

Mr. SMITH. Turnover must have something to do with things besides salary.

Mr. HOOVER. I think it is due to a great extent to the pride, dedication, loyalty, and esprit de corps found among the personnel of the Bureau. I say this because there have been innumerable instances where personnel have become the victims of adversity and their fellow employees have rallied to render material, as well as spiritual and moral, assistance. I can cite innumerable cases where employees have been stricken with the most adverse circumstances and their fellow employees have contributed funds, personal efforts, and spiritual assistance when it has been most needed. There have been instances where special agents have been killed in gun battle and I have had the opportunity of offering the widow or adult children an opportunity of working in the Bureau because the wife or child had promised to carry on in the service if anything happened to them. Ours is a "we" organization, dedicated to service to our country, as exemplified by the great number of our personnel who have made a career out of their FBI employment. The fact that 45½ percent of our employees have served in the FBI 10 years or longer is the best indication of the morale and esprit de corps of our personnel.

Mr. SMITH. These special agents are lawyers and accountants?

Mr. HOOVER. They are lawyers, accountants, scientists, linguists, or possess some special qualification needed in our work.

Mr. SMITH. But your salary range is not higher than it is in other divisions?

Mr. HOOVER. No, sir. We start at GS–10, $7,290 per annum.

Mr. SMITH. That is all I have.

Mr. ROONEY. Mr. Sikes?

OPERATION OF THE COMMUNIST PARTY-U.S.A.

Mr. SIKES. Mr. Director, on several occasions I have had people say to me, "We know that laws have been passed which restrict the operations of the Communist Party, and yet we continue to read about activities by Communists as individuals in this country." They ask how that can be.

Will you tell me for the record what the situation is?

Mr. HOOVER. I shall be very glad to. The Communist Party-U.S.A. has never been outlawed. Congress has passed, and the courts have sustained some of the various acts aimed at controlling the activities

of the Communist Party-U.S.A. Some progress has been made by the Government in controlling the Communist Party.

Although the Supreme Court on June 5, 1961, upheld the finding of the Subversive Activities Control Board that the Communist Party-U.S.A. is a Communist action organization and must register with the Attorney General, the party has not complied.

The Department of Justice has taken several prosecutive steps. As to the party itself, a 12-count indictment was returned by a Federal grand jury in Washington, D.C., on December 1, 1961, charging the party with failure to register. Following a jury trial, the party was found guilty on December 17, 1962, and was fined $120,000. On December 26, 1962, party attorneys filed a notice of appeal.

As to the officers, on March 15, 1962, individual six-count indictments were returned against Gus Hall, general secretary of the party, and Benjamin J. Davis, Jr., the party's national secretary, charging them with failure to register for the party and with failure to file the registration statement. A motion to dismiss is pending in both cases.

To date, the Attorney General has petitioned the Subversive Activities Control Board to require 14 members of the party's National Committee to register as party members. The Board has completed hearings on 12 and 10 have been ordered to register with the Attorney General. Appeals have been filed in three of these cases. Hearings are pending in two additional cases.

There have been innumerable delays in obtaining action against the Communist Party-U.S.A. as a result of its dilatory tactics, numerous appeals to the courts, and refusal to comply with the court's orders. As an example, it required 11 years for the courts to ultimately uphold the registration order against the Communist Party-U.S.A. under the provisions of the Subversive Activities Control Act.

The courts' interpretations of the Smith Act of 1940 which would have permitted action against individual members of the Communist Party have rendered this act largely ineffective.

Mr. SIKES. Then the Congress has not accomplished what it set out to do.

Mr. HOOVER. It has been a difficult task for the Government to act expeditiously against the Communist Party and its members.

Mr. SIKES. Mr. Director, in a situation of this kind the desires of Congress and of the American people can be circumvented, or at the very least, postponed almost indefinitely. Is that correct?

Mr. HOOVER. It certainly has worked out that way. You will also note that when committees of Congress, such as the House Committee on Un-American Activities, have carried on hearings they have been subjected to extreme vilification and attacks from all parts of the country. Today there is one of the most concentrated campaigns being conducted in this country on the part of the Communist Party and various Communist-front organizations and groups which are not Communist to discredit, abolish, or circumscribe the activities of this committee.

These committees have suggested legislation concerning the activities of Communists, some of which Congress has approved.

Mr. SIKES. In your opinion, is there any hope of obtaining positive action within any reasonable number of years without strengthening the present laws?

Mr. HOOVER. I certainly think some of the present security laws need to be strengthened to give full effect to the intent of Congress.

Mr. SIKES. You are very close to this and perhaps you know more about the problem than any other individual. I know that I would welcome suggestions which have come to you which you feel are worthy of consideration by the Congress which would strengthen the laws under which we now attempt to control communism in this country.

Might I ask that you make available to this committee some of the suggestions that have come to your attention which you feel have particular merit?

Mr. HOOVER. I would be glad to do that except the Bureau has always refrained from entering into the field of legislation. That is within the prerogatives of the Attorney General.

Mr. SIKES. Off the record.

(Discussion held off the record.)

Mr. ROONEY. Mr. Bow?

Mr. BOW. Mr. Director, may I say that Mr. Lipscomb asked me to express to you his disappointment in his inability to be here this morning.

Mr. HOOVER. I am very sorry he is not present.

Mr. BOW. He is out on official business and he regretted very much not being here.

ACTIVITIES OF COMMUNISTS ON CAMPUSES

We have covered some of the matters here which I had in mind. I am particularly concerned, Mr. Director, with regard to the activities of Communists on the campuses of America. Is that increasing?

Mr. HOOVER. It is increasing. Gus Hall has personally taken charge of that campaign. The statement which I inserted in the record went into that in some detail.

Mr. BOW. I am glad that you have. Do these people who go to the campuses, those sent there by Gus Hall and his group, follow the straight party line?

Mr. HOOVER. They do. By skillfully imparting the line of the Communist Party, they are sowing on the campuses of our universities a false picture of what the Communist Party really is. They try to portray it as just another political party, such as the Republican or Democratic Party, when we know from their activities they have no basis for calling it a political party because the courts have declared it to be an arm of the international Communist conspiracy.

Mr. BOW. Recently I had a student from one of the colleges in this country ask, "What fear do you have of letting the young people know what these Communists have to say? We are good Americans and can differentiate between propaganda and fact."

What would be your answer to anyone who asked that?

Mr. HOOVER. My answer is that we all believe in academic freedom, but academic freedom does not grant license to deliberately present distortions or falsehoods. It requires the truth and Communists are not obligated morally or otherwise to seek for or to tell the truth.

Some students are capable of recognizing and exposing Communist propaganda and propagandists—others are not. There lies the danger because Communists have made, and are making, recruits in our

schools, colleges, and universities. For that reason I do not believe that Communist spokesmen should be allowed to speak on our campuses.

I think it is perfectly proper that in our schools communism should be taught for what it is, objectively and not in an hysterical manner. Teachers in our schools can properly conduct classes presenting objectively the strength of democracy and the fallacies and weaknesses of the Communist system.

WHAT AVERAGE CITIZEN CAN DO ABOUT COMMUNISM

Mr. Bow. One final question. I know you have spoken on this a number of times in many places. It comes to me so many times, however, and I wonder if you can briefly give an answer to the average citizen who comes to us and asks what he can do about communism.

Mr. Hoover. I think the average citizen can do a great deal. For that reason I am somewhat optimistic about the picture with regard to the exposure of the fallacies of communism. The average citizen must completely dispel his apathy and indifference. In other words, the attitude too frequently adopted is "This is none of my business." They also say it is none of their business what the schools are doing and teaching.

Parents should be close to their children and their teachers. They should know what subjects are being taught and where necessary make practical and constructive suggestions.

There have been a number of States which have adopted certain textbooks to be used in teaching courses on communism in their schools. That is a step in the right direction.

You cannot fight the menace of communism unless you know what it is you are fighting. Communism is so twisted, that, for example, "peaceful coexistence," a phrase conceived by Khrushchev, does not mean living peacefully. They use a different dictionary.

Adults of this country should know more about communism, what it really is, and be able to understand it so that they, in turn, can discuss it intelligently with their sons and daughters and answer various questions which arise such as the case you cited of the student who asked about allowing a Communist to speak on a campus.

It is not a matter of suppression of free speech. That is not involved. I do think it is wrong to bring on to the campuses of this country individuals who themselves are prisoners to a line of propaganda and have them expound it to the youth of our country. A Communist is not free. He is under the strict discipline of the Communist Party in Moscow.

While I have pointed out some of the things the average citizen can do about communism, he should, above all, be for our system of Government, be for our way of life and do his utmost in a positive way to make our system work. This is the best answer to communism.

Mr. Bow. I believe you have also stated on this same subject, and it would be well for the record to have you spell it out again, the question of the difference between an objective campaign against communism and those of witch hunts, that people are Communists because they don't agree with you.

Mr. Hoover. One of the greatest disservices that can be rendered in the fight against communism—and we are in a war with commu-

nism all over the world—is for extremists to urge the ignoring of the basic principles of our democratic institutions, the very things upon which this Republic was founded.

Too often there are individuals who will make accusations, highly hysterical and highly extreme, which have no scintilla of truth in them. Such statements serve the Communist cause well because they permit the Communists to discredit the individual making the statement and the organization to which he belongs.

I am against the extremism of the left as well as the right. We should frankly and openly face the Communist issue without name calling or without charging someone who differs with you as being a Communist.

Mr. Bow. You recommend that people who have some suspicion of Communist activities within plants and communities to communicate with the FBI, or other officials, rather than going out on their own?

Mr. Hoover. I am thoroughly opposed to self-constituted investigators.

Persons having such information should go to the nearest office of the FBI, or contact us by letter, and give us the information. We will handle it in a proper manner. We will not abuse anyone's civil or constitutional rights. We will make a proper investigation if the facts warrant.

Mr. Bow. Thank you, Mr. Hoover. That is the information I want.

CASELOAD PER AGENT

Mr. Rooney. Have you advised us of the caseload per agent?

Mr. Hoover. Yes, Mr. Chairman, 20 per agent.

Mr. Rooney. Compared with how many in fiscal 1962?

Mr. Hoover. It was 22 last year. Twenty is too high.

Mr. Rooney. In the Department of Justice budget we find a formula where upon requesting an additional position they add $1,000 for rent of each person. You don't follow that formula here?

Mr. Hoover. I never heard of that.

Mr. Rooney. You never heard of it?

Mr. Hoover. No, sir.

Mr. Rooney. We have always been surprised by it.

(Discussion held off the record.)

Mr. Rooney. Mr. Andretta charges the taxpayer $1,000 rent for every new employee they put on the payroll, including a GS–5 clerk in Washington.

Mr. Hoover. That is not done in the Bureau.

Mr. Andretta. That is the GSA formula, $750 in the field.

Mr. Rooney. Well, we saved a little today, anyway.

PROPOSED NEW BUILDING

Finally, what is the situation at the moment with regard to the proposed new building?

Mr. Hoover. At the moment that is in the hands of the General Services Administration. They have just concluded a survey of the space now occupied by the Bureau in Washington. We are in six different locations here.

The proposed new building, when it is constructed, will enable us to occupy the entire building, consolidating all of our activities in one location.

The next step is for GSA to let the contract for the architects to design the building.

(Discussion held off the record.)

Mr. ROONEY. After this lengthy discussion, Mr. Director and gentlemen, and after hearing you both on the record and off the record on matters which should not be on the record in the interest of the security of the United States and in the interest of protecting the rights of the Government in certain criminal cases, we wish to thank you very much for a highly interesting and informative session.

Thank you, Mr. Director.

Mr. HOOVER. Thank you, Mr. Chairman.

TUESDAY, FEBRUARY 5, 1963.

FEDERAL PRISON SYSTEM

WITNESSES

JAMES V. BENNETT, DIRECTOR
FREDERICK T. WILKINSON, ASSISTANT DIRECTOR
PRESTON G. SMITH, ASSOCIATE COMMISSIONER, FPI
MIKE KOLINCHAK, ACTING BUDGET OFFICER
S. A. ANDRETTA, ADMINISTRATIVE ASSISTANT ATTORNEY GENERAL
J. C. BROWN, CHIEF, BUDGET AND ACCOUNTS OFFICE

Mr. ROONEY. The committee will please come to order. We shall this morning direct our attention to the requests for the Federal prison system. This item is to be found at page 108 of the committee print and the details with regard thereto are to be found under tab 27 of the justifications.

The main item is made up of three separate appropriations, to wit, "Salaries and expenses, Bureau of Prisons"; "Buildings and facilities, Federal prison system"; and third, "Support of U.S. prisoners." The total request for these three items is in the amount $76,075,000, which would be an increase of $20,016,000 over the appropriations to date in the current fiscal year. Is that correct?

Mr. BENNETT. Mr. Chairman, I think that figure of the increase over the base is $18,711,000.

Mr. ROONEY. We are not talking about increase over the base. We are talking about the increase in taxpayers' money. It is $20,016,000, is it not?

Mr. BENNETT. Yes, sir.

Mr. ROONEY. We shall at this point insert in the record pages 27–1 and 27–2 of the justifications.

(The pages follow:)

Summary of requirements

[In thousands]

All appropriations, 1963:		
Salaries and expenses, Bureau of Prisons	$48,814	
Proposed supplemental due to pay increase	1,315	
Less transfer to GSA for rent	−10	
Buildings and facilities, Federal Prison System	3,545	
Support of U.S. prisoners, Federal prison system	3,700	
		$57,364
Estimate, 1964		76,075
Increase, 1964 over 1963		+18,711

	Requirements		Increase
	1963 adjusted	1964	
Salaries and expenses, Bureau of Prisons	$50,119	$54,100	$3,981
Buildings and facilities, Federal Prison System	3,545	17,775	14,230
Support of U.S. prisoners	3,700	4,200	500
Total	57,364	76,075	18,711

DIGEST

1964 estimates

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, $54,100,000

The funds in this appropriation are needed to operate the institutions of the Federal prison system. The requested net increase totals $3,981,000 and is for strengthening security due to closing Alcatraz, improving staffing because of greater workload, opening Marion and a camp, improving institution maintenance and equipment, a 1-cent "care" increase, maintaining the level of employment, and providing higher salaries for classified employees.

Buildings and facilities, Federal prison system, $17,775,000

The amount requested under this appropriation will provide funds to continue construction of a psychiatric institution, detailed preliminary work on a replacement for the National Training School, advance planning of a western women's institution, construction of an activities building at Sandstone, staff housing at Marion and repairs and improvements at various institutions.

Support of U.S. prisoners, Federal prison system, $4,200,000

This amount is required for the care of prisoners, boarded in non-Federal institutions, who are awaiting trial or serving short sentences.

Mr. ROONEY. Do you have a general statement, Mr. Bennett?

Mr. BENNETT. Yes; I have some notes here.

Mr. ROONEY. Very well, you may proceed.

GENERAL STATEMENT

PRISONER POPULATION

Mr. BENNETT. I think perhaps first of all I ought to tell you about the situation with regard to our prisoner population. At the present time our prisoner population is averaging 23,848, which is 125 above the average of the same time last year.

Our prisoner population did not continue to increase or climb quite as rapidly as we had anticipated.

Mr. ROONEY. It is a decrease of how much from your total last year?

Mr. BENNETT. We made our estimate last year on the basis of 25,000. Our average population now is running 23,848. As I say, it may increase above that during the last half of the fiscal year.

While our prisoner population increase has not been as rapid as we predicted, still we have been receiving an increasingly difficult group of offenders—bank robbers, racketeers, narcotics offenders, and so on.

Mr. ROONEY. You have had that situation over all the years, have you not?

Mr. BENNETT. Yes, but not such a large proportion, Mr. Chairman. We have had some of them, but now they are increasing. The number of increases in bank robberies, for example, has brought into our institutions a very large number of long-term, serious offenders.

In addition to that, we have been getting a larger number of more serious sex deviates, homosexuals, problem cases. For example, one group that is causing us a good deal of trouble is the Muslim group, the Black Muslims, who are coming into our institutions in increasing numbers.

Mr. ROONEY. How many Muslims do you have now?

Mr. BENNETT. I should say 400, but distributed among the various institutions.

Mr. BOW. How much of an increase is that in the Muslim group?

Mr. BENNETT. This is a very recent group, Mr. Bow. I would say that that whole 400 has come into our institutions within the last 3 years, the largest number of them in the last year.

DISTRIBUTION OF ALCATRAZ POPULATION

As you know, Mr. Chairman, one of the other things that we have been doing during this year has been to redistribute our Alcatraz population. That institution, as you know, is being phased out. We are distributing those people now to our other institutions. This, of course, aggravates our problems with respect to these more difficult cases. One of the items in this appropriation is some additional staff in order to enable us to strengthen our institutions to which these men are to be transferred.

MARION INSTITUTION

The Marion Institution, the new institution in southern Illinois, is slightly behind schedule, but we anticipate it will reach about 600 toward the close of the fiscal year, with an average population during the year of about 450. We will gradually build up our staff in that institution to a total of some 266 employees.

HOSPITAL AND CUSTODIAL OFFICERS

One of the things which we find, one of the favored ways which men in prison use to create problems and escape, is to get themselves sick and get themselves committed to the hospital. In order to forestall that sort of thing, we are asking for some additional personnel to strengthen our hospital officers or custodial officers.

INSTITUTIONAL MAINTENANCE

Then, in addition to that, we are asking for some additional mechanical positions to help us bring up to date the maintenance.

One of the larger items in this appropriation is an additional $500,000 to enable us to step up the institutional maintenance. As you know, that has been a problem to which I have called your attention in previous years. We would ask your consideration of increasing our appropriation in order to help us maintain the standards of sound institutional maintenance. We have institutions the net value of which we now estimate at $225 million. Increased cost of repairs and materials, and so on, makes it necessary, we feel, to give us a little bit more money in this item.

WEST COAST CAMP

Another thing you will see as we go through this appropriation is that our situation on the west coast is particularly difficult. The growth in the California population, particularly in the Los Angeles area, has put a heavier burden on us in that area. For that reason we are asking for funds to establish a camp on the west coast where we can put these minimum custody men, probably upon an Air Force base similar to the one we established last year at Eglin Field, in order to enable us to cut down the population at the McNeil Island Penitentiary, which is still seriously overcrowded.

INCREASE IN CASE ALLOWANCES

We are asking for a 1-cent increase in our care allowance, so-called. That is for food and clothing and medicines, items of that kind.

PAY INCREASE

We are also, of course, asking for funds to defray the pay increase and for funds to allow us to maintain our level of employment which we would have to decrease were we to take from our appropriation the money necessary to pay for the increase in wages of the blue-collar workers and the other employees in our organization.

Mr. Chairman, do you want me to summarize generally the new construction items we have in mind?

STAFF HOUSING AT MARION

Mr. ROONEY. You might anticipate us and discuss the items you know we are going to question you about, such as the amount you have in here for staff housing at Marion and the cost of the transfer of the Alcatraz prisoners.

Mr. BENNETT. I do not know quite what you mean by the Marion housing other than we are asking for $500,000——

Mr. ROONEY. We were advised that was a $10-million institution. Now you are figuring to build a half million dollars worth of housing.

Mr. BENNETT. A half million dollars worth of employee housing; yes, sir.

Mr. ROONEY. We were not misled, were we, in thinking $10 million was to be the total cost of the institution, its furnishings and everything else? We have a colloquy we had a couple years ago.

Mr. BENNETT. That is right. We thought at the time we made the original estimate for this Marion Institution that we would be able to build it for $10 million. But prices have gone up meanwhile. I pointed out to the committee last year that at the time we made our estimates, the architects and engineers made their estimates of the cost of that Institution, we were basing it on the wage rate applicable to the southern Illinois area; and meanwhile the Department of Labor made the Chicago wage rate applicable to that area and increased our cost. I do not think, as a matter of fact, we had in our original estimates of $10 million any item for housing.

Mr. ROONEY. You assured us it was going to be a $10 million institution, that that would include the furnishings, equipment, and everything else.

Mr. BENNETT. I guess that is right, but I did not say anything about housing, did I? I mean personnel housing. I do not think I did.

Mr. ROONEY. When you told us the $10 million was going to do the whole thing, should we not have thought that would include housing for personnel?

Mr. BENNETT. I do not think so; no. So that you will understand everything, with every card on the table, let me tell you something more about Marion. Under the accelerated public works program, we have received a few small items.

Mr. ROONEY. Do you have a list of them?

Mr. BENNETT. Yes.

POPULATION INCREASES

Mr. ROONEY. Where is your statement with regard to population increases including an estimate for 1964? Do you have a statement similar to the one at page 633 of last year's hearings with regard to population?

Mr. BENNETT. We have this chart, Mr. Chairman.

Mr. ROONEY. I do not want the chart. I want a statement similar to the one last year. We duplicate it each year so we can make comparisons. The chart, incidentally, if I recall correctly, does not include 1964, does it?

(The chart referred to follows:)

Statement of population increases

Year	Average population	Increase	Year	Average population	Increase
1957	20,112		1962	23,838	460
1958	20,638	526	1963 (Original estimate)	25,000	1,162
1959	21,669	1,031	(Revised estimate)	24,200	362
1960	22,423	754	1964 (estimated)	25,000	800
1961	23,378	955			

Mr. BENNETT. No, sir.

Mr. ROONEY. It does not include either 1963 or 1964.

Mr. BENNETT. We have not finished the 1963 year yet.

Mr. ROONEY. You make an estimate, as you did last year.

Mr. BENNETT. My estimate is 25,000.

Mr. ROONEY. For 1963?
Mr. BENNETT. For 1963 and 1964.
Mr. ROONEY. You are 1,152 below that right now.
Mr. BENNETT. Yes sir; that is right.

STATUS OF PROJECTS CLEARED BY AREA REDEVELOPMENT ADMINISTRATION

Mr. ROONEY. What is the status of these project cleared by Area Redevelopment Administration?
Mr. BENNETT. We are working on them now.
Mr. ROONEY. Do you have the money?
Mr. BENNETT. I think so. We are still working with the Area Redevelopment people, but I think they have actually given us the authorization. If not, they have indicated they would give it to us.
Mr. ROONEY. Then on top of this $1,300,000 out of Area Redevelopment, you want how much for repairs and maintenance?
Mr. BENNETT. A half milion dollars.
Mr. ROONEY. On top of what?
Mr. BENNETT. A million and a half all told, but it is a half million dollars more than we have this year.
Mr. ROONEY. Together with this, that would be $2,800,000; right?
Mr. BENNETT. That is right; yes, sir. But these are not repair items. All of these are not repair items.
Mr. ROONEY. Some of them are, are they not?
Mr. BENNETT. Yes, sir, some of them are.
Mr. ROONEY. They are modernization items?
Mr. BENNETT. Modernization items, yes, sir, but those are items that were not among our top priority list. In order to comply with the standards and the formula of the Area Redevelopment Administration, of course, this has to be done by contract with civilian labor. It has to be the kind of job that can be done by local labor. All our other items in this item, of course, are proposed to be done with our own labor.
Mr. ROONEY. We shall insert this list of projects cleared by ARA at this point in the record.
(The list referred to follows:)

Projects cleared by ARA, Jan. 2, 1963

State	Area	County	City	Description	Amount
Illinois	5(a)	Williamson	Marion	Perimeter fencing	$220,000
Do	5(a)	do	do	Electrical work	180,000
Kentucky	5(a)	Boyd	Ashland	Extension of inmate quarters.	300,000
Do	5(a)	do	do	Road repairs	30,000
Pennsylvania	5(a)	Union	Lewisburg	Modification of towers	105,000
Do	5(b)	Lycoming	Allenwood (Prison Camp).	Modernization of facilities	365,000
Ohio	5(a)	Ross	Chillicothe	Road repairs	100,000
Total					1,300,000

Summary:

Area 5(a)	$935,000
Area 5(b)	365,000
Total	1,300,000

Mr. ROONEY. Have you made your main presentation?

STRENGTHENING STAFF AT INSTITUTIONS RECEIVING ALCATRAZ PRISONERS

Mr. BENNETT. You asked me about Alcatraz. We are moving the prisoners out of Alcatraz at the present time. Our population is down now to 120. As time goes on we are moving them out as rapidly as we can absorb them elsewhere. We expect to have them moved completely within the next 60 days, by April 15.

Mr. ROONEY. We are more interested in the money aspect of this move. Tell us about that, if you will.

Mr. BENNETT. You mean what becomes of the money?

Mr. ROONEY. Yes. Why should it cost as much as you have in this budget to move these people and the addition of—what is it—54 positions in other institutions?

Mr. BENNETT. Twenty-five.

Mr. ROONEY. Forty-five plus what? Is it not 45?

Mr. BENNETT. If you turn to page 28–7, you will see that the——

Mr. ROONEY. That is exactly what I cannot see.

Mr. BENNETT. You will see that we are asking for out of $1,173,000 presently available for that, for $395,000, to strengthen the staff at existing institutions.

Mr. ROONEY. That is to take care of the addition of 260 Alcatraz prisoners, which is at the rate of about $1,500 apiece; is that right?

Mr. BENNETT. I do not know what that checks down to each.

Mr. ROONEY. I think if you divide 260 into $395,000, you will come out with about $1,500 each, will you not?

Mr. BENNETT. That looks about right; yes, sir.

Mr. ROONEY. Why should it cost anything like that?

Mr. BENNETT. It is simply because this is a very difficult group. We are going to have to watch them. In each of our institutions we already have a lot of very difficult cases. We have to watch these.

Let me give you an illustration from New York City of the Ormento crowd. These are 12 people with very long sentences. They were the cause of a great deal of trouble. The Government went to tremendous cost in prosecuting them. You will remember from reading the paper that one of them in the courtroom threw a chair at a witness. There were various assaults. There were a half dozen witnesses that were assaulted, I think two witnesses were killed. Yes, two witnesses were killed. We have these men in our institutions.

We have other men in our institutions who are on the fringes of this dope gang. We have to protect them. That is as big a single group of codefendants as we have ever gotten.

Mr. ROONEY. You did not have them all in Alcatraz, did you?

Mr. BENNETT. We were going to put them in Alcatraz. We had them earmarked for there.

Mr. ROONEY. Where have you got them? You are basing this on the removal of the present people you have in Alcatraz. This is a change of subject.

Mr. BENNETT. Those are the same kind of fellows as these. Take a man like Simcox. He is doing what amounts to a life term. He is an extremely dangerous Army prisoner. He created a riot at the Leavenworth Army Disciplinary Barracks for which he received a 40-year sentence. He came to our institution. After he was in our institution,

he seriously stabbed one and killed another inmate. He is threatening. He openly says he is going to take somebody with him to eternity very shortly now. We cannot take that man out of his cell unless we have two officers with him. He is only one of several of that kind that we have. We cannot keep him locked up or he may go mentally ill. We have to give him an opportunity to take a little exercise and see what we can do to change his attitude. That takes personnel.

RATIO OF OFFICERS TO PRISONERS

It might be useful and interesting, Mr. Chairman, to show you some manpower figures. Here is a statement showing the ratio of officers to prisoners. At Alcatraz, for every 2.7 prisoners we had 1 officer; at Atlanta and Leavenworth at the present time we have 12 prisoners per officer. We wish to even these institutions up a little, strengthening Atlanta a little. These institutions now hold extremely difficult people. Many are escapees from State institutions. They had a riot and serious assault cases down in North Carolina a few years ago. They broke out of the place. What happened? They were turned over to us to take care of 26 men who were in the escape.

Take our service across the board, and I think you will find we have fewer officers in ratio to the number of prisoners of almost any State prison system in the North.

Mr. ROONEY. It would seem from this that it might have been better if we had spent the money needed to fix up Alcatraz. You are making a pretty good case for that this morning.

MARION MAXIMUM SECURITY INSTITUTION

Mr. BENNETT. I am making an excellent case for a maximum security institution. We have to have one. We hope Marion will serve that in time.

Mr. ROONEY. In time? You obtained $10 million for Marion on the basis of its being a maximum security institution. That is your case.

Mr. BENNETT. As soon as it is completed, yes. But we cannot move these fellows in there until we have the bugs worked out of it and have given it a thorough shakedown. Then we are going to move in our more serious problem cases.

Mr. ROONEY. Is it going to be a maximum security institution or is it not?

Mr. BENNETT. Yes, sir; no question about it.

Mr. ROONEY. You say at page 28–11:

> The institution will be used primarily for younger adults who have been difficult to handle in the regular institutions and who may be expected to show more progress under the specialized staff and program.

Mr. BENNETT. For the most part, those are the kind of people at Alcatraz now. They are young. It is not, however, very happy phrasing. What we mean is these people, these young men. We have taken off the hands of the District of Columbia, Army, and Navy, these extremely assaultive and difficult cases. We have had more assaults upon our officers this year, Mr. Chairman, than ever before in the history of the prison system.

ADDITIONAL FUNDS REQUESTED FOR MARION

Mr. ROONEY. You might address yourself to this item of $1,556,000 at page 28–11 that I just referred to in connection with Marion.

Mr. BENNETT. Mr. Chairman, as I indicated, the contractor is slightly behind in the completion of the Marion Institution. But we are hoping to be able to open it in perhaps another 6 weeks with a camp-type operation, get the institution shaken down, get the equipment operating properly. There are some items of construction we have to do with our own inmates.

Mr. ROONEY. You have an item in here of $158,000 for equipment for inmates and offices. That is at page 28–12. We were under the impression we had given you all the money you needed for equipment. This is a very disappointing showing this morning insofar as the taxpayer is concerned.

I should like to read to you from page 319 of the hearings on the budget of the Department of Justice on the prison system for fiscal year 1961. It reads:

> Mr. ROONEY. The total cost of this institution will be in what amount?
> Mr. BENNETT. $10 million.
> Mr. ROONEY. That includes equipment?
> Mr. BENNETT. Yes, sir.
> Mr. ROONEY. Furnishings?
> Mr. BENNETT. And the basic equipment; yes, sir.
> Mr. ROONEY. And how much of the $10 million is for furnishings and basic equipment?
> Mr. BENNETT. $1.5 million approximately.

You have $1.5 million to cover your expert estimate at the time. Now you come along and just one of the lumped items in here is $158,000 for additional equipment, is that right?

Mr. BENNETT. I had thought at that time of such equipment items as kitchen, mess equipment, automobiles, tractors, that sort of thing.

Mr. ROONEY. I guess we were naive enough to believe the words "all equipment" meant all equipment.

Mr. BENNETT. Usually when we figure on an institution—at least my connotation of the word equipment means the basic equipment, the X-ray equipment, laboratory equipment, items that go with the building itself, built into the building itself.

Mr. ROONEY. It seems to me as though, getting back to your fiscal year 1961 budget, that that was a pretty generous lump that you were taking for equipment, $1.5 million. It is very disappointing now to find you asking for $158,000 more for equipment, $107,000 for inventory buildup, $31,000 for uniforms for new employees. We thought when we gave you $10 million, we had a complete prison in Marion, Ill.

Salaries and Expenses, Bureau of Prisons

Object classification

[In thousands of dollars]

		1962 actual	1963 estimate	1964 estimate
	BUREAU OF PRISONS			
11	Personnel compensation:			
	Permanent positions	28,734	30,845	32,806
	Positions other than permanent	418	445	453
	Other personnel compensation	1,286	1,394	1,736
	Total personnel compensation	30,438	32,684	34,995
12	Personnel benefits	2,306	2,478	2,655
21	Travel and transportation of persons	546	598	625
22	Transportation of things	296	300	305
23	Rent, communications, and utilities	1,091	1,274	1,374
24	Printing and reproduction	37	37	37
25	Other services	424	425	425
26	Supplies and materials	8,996	9,318	9,807
31	Equipment	768	594	1,247
41	Grants, subsidies, and contributions	192	192	192
42	Insurance claims and indemnities	25	29	58
	Subtotal	45,119	47,929	51,720
	Deduct quarters and subsistence charges	−431	−440	−440
	Total costs, Bureau of Prisons	44,688	47,489	51,280

Program and financing

[In thousands of dollars]

		1962 actual	1963 estimate	1964 estimate
	ALLOCATION TO HEALTH, EDUCATION, AND WELFARE, PUBLIC HEALTH SERVICE			
11	Personnel compensation:			
	Permanent positions	2,038	2,287	2,415
	Positions other than permanent	1	1	1
	Other personnel compensation	41	42	62
	Total personnel compensation	2,080	2,330	2,478
12	Personnel benefits	314	141	160
21	Travel and transportation of persons	22	23	24
22	Transportation of things	38	39	40
25	Other services	1	1	1
	Total costs, Public Health Service	2,455	2,534	2,703
	Total costs	47,143	50,023	53,983
	Change in selected resources	−361	96	117
	Total obligations	46,782	50,119	54,100

Personnel summary

	1962 actual	1963 estimate	1964 estimate
BUREAU OF PRISONS			
Total number of permanent positions	4,812	4,957	5,200
Full-time equivalent of other positions	69	71	66
Average number of all employees	4,761	4,910	5,138
Number of employees at end of year	4,809	4,954	5,190
Average GS grade	7.2	7.4	7.4
Average GS salary	$6,028	$6,302	$6,451
Average salary of ungraded positions	$7,296	$7,375	$7,478
ALLOCATION TO HEALTH, EDUCATION, AND WELFARE, PUBLIC HEALTH SERVICE			
Total number of permanent positions	272	274	289
Average number of all employees	267	268	283
Number of employees at end of year	283	284	299
Average GS grade	8.6	8.8	8.7
Average GS salary	$6,439	$7,472	$7,536
Average salary, grades established by act of July 1, 1944 (42 U.S.C. 207)	$9,659	$10,353	$10,580

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
Operating costs:			
1. Custody, care, and treatment of prisoners in Federal institutions:			
(a) Custody	18,519	20,288	21,971
(b) Subsistence (including farming operations)	6,631	6,890	7,047
(c) Education and welfare	3,886	4,120	4,535
(d) Clothing, allowances, medical expenses, releases, and transfers	3,139	3,431	3,469
2. Maintenance and operation of institutions	12,141	12,436	13,169
3. Medical services	2,455	2,534	2,703
4. General administration	1,423	1,580	1,652
Total operating costs	48,194	51,279	54,546
Unfunded adjustments to total operating costs (−):			
Depreciation included above	−916	−850	−850
Property or services transferred in without charge	−859	−800	−800
Total operating costs, funded	46,419	49,629	52,896
Capital outlay:			
2. Maintenance and operation of institutions	1,572	1,194	1,887
Unfunded adjustments to capital outlay costs: Property or services transferred in without charge (−)	−848	−800	−800
Total capital outlay, funded	724	394	1,087
Total program costs, funded	47,143	50,023	53,983
Change in selected resources [1]	−361	96	117
Total obligations	46,782	50,119	54,100
Financing: Unobligated balance lapsing	3		
New obligational authority	46,785	50,119	54,100
New obligational authority:			
Appropriation	46,790	48,814	54,100
Transferred to "Operating expenses, Public Buildings Service" General Services Administration (75 Stat. 353 and 76 Stat. 728) (−)	−5	−10	
Appropriation (adjusted)	46,785	48,804	54,100
Proposed supplemental due to pay increases		1,315	

[1] Selected resources as of June 30 are as follows:

	1961	1962 adjustments	1962	1963	1964
Stores	3,156		2,986	3,082	3,199
Unpaid undelivered orders	562	166	537	537	537
Total selected resources	3,718	166	3,523	3,619	3,736

The first of the three items to which I previously made mention is entitled "Salaries and expenses." It appears at page 108 of the committee print and the details are to be found under tab 28 of the justifications.

JUSTIFICATION DATA

We shall at this point insert in the record pages 28–1 through 28–18 from the justification book.

(The pages follow:)

SALARIES AND EXPENSES, BUREAU OF PRISONS

[In thousands]

Appropriation, 1963	$48,814
Proposed supplemental due to pay increase	1,315
Less transfer to GSA for rent	−10
Total, 1963	50,119
Estimate, 1964	54,100
Increase, 1964 over 1963	3,981

EXPLANATION OF LANGUAGE CHANGES

Line 12, delete: "and water rights".

This language was requested in the 1963 appropriation to authorize the Bureau of Prisons to purchase water rights for the Federal Correctional Institution at Englewood, Colo. This is being done and there is no further need for the language.

NEW DEVELOPMENTS

Population

The 1962 average population was 23,838. This is an increase of 460 over the prior fiscal year and the 13th consecutive annual increase.

Among the approximately 15,000 prisoners received in fiscal year 1962 were 1,169 sentenced under the Youth Corrections Act, 706 sentenced under the Federal Juvenile Delinquency Act, and 1,625 violators of parole and mandatory release.

The trends of prior years on new commitments showed some changes. Several categories of crime showed some declines. Both auto theft and narcotics commitments dropped about 9 percent. This was offset to some extent by the fact that the average length of sentence of prisoners received increased from 33.8 to 34.1 months.

Program

Continuing emphasis is being given by the Bureau to its program of improving youth and juvenile programs, to maintaining relations with the courts and to developing aftercare programs. Federal judges are making greater use of their authority to commit individuals for diagnosis and sentence recommendations by the Bureau of Prisons. Approximately 475 diagnostic cases were received during the fiscal year. Each of these cases requires substantial staff time both in the field and in Washington. Legislation was enacted in fiscal year 1962 which, for the first time, authorizes judges to use the Bureau's diagnostic facilities for juvenile offenders. The Bureau continues to assist in preparations for the Judicial Sentencing Institute.

The prerelease guidance centers enjoyed a successful year and give evidence of making a real contribution to the Bureau's correctional programs. A fourth center at Detroit will be activated this fiscal year.

A number of jails are overcrowded because of increased local commitments. Therefore there is reluctance to house Federal prisoners. During fiscal year 1963 it was necessary to withdraw Federal prisoners from several jails because of overcrowding and subsequent physical abuses. The Bureau continues to operate its jail inspection and training and consultative programs for State, local and foreign officials.

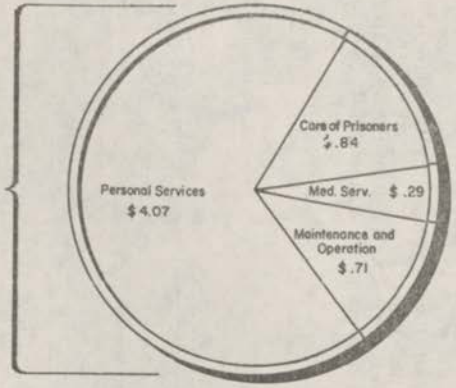
The legislative limitations on gratuities was increased from a maximum of $30 to $100. The higher gratuities are to be used only in exceptional cases.

Several activities of the Bureau were concentrated in a Division of Research, Statsitics and Development. One function of the division is to maintain liaison and to cooperate with the President's Committee on Juvenile Delinquency and Youth Crime. The committee is expected to give special emphasis over the next few years to fostering research and increased program effectiveness in cor-

FEDERAL PRISON SYSTEM

Estimated Obligations Fiscal Year 1964

Cost per Man per Day $5.91



PERSONAL SERVICES		CARE OF PRISONERS		MAINTENANCE AND OPERATION		MEDICAL SERVICES	
Regular Salaries	$32,366,000	Food	$4,507,000	Administrative	$1,252,000	Allocation to P.H.S.	$2,703,000
Night Differential	571,000	Clothing	965,000	Utilities	2,227,000		
Part Time and Fees	453,000	Recreation, Education, Welfare	409,000	Vehicle Operations	355,000		
Extra Pay Above 52-week Base	237,060	Inmate Allowances	356,000	Bldg., Grounds, Facilities	1,560,000	ESTIMATED	
Holiday Pay	512,000	Medical Attention	370,000	SUBTOTAL	5,394,000	AVERAGE POPULATION:	25,000
Overtime Pay	416,000	Releases and Transfers	797,000	Equipment	1,107,000		
Benefits	2,655,000	Custody	282,000				
TOTAL	$37,210,000	TOTAL	$7,686,000	TOTAL	$6,501,000	TOTAL OBLIGATION:	$54,100,000

rectional work throughout the country. The Bureau of Prisons will be looked to increasingly as a source of technical information and assistance and influential leadership in this interdepartmental effort.

The Bureau's Construction Division developed architectural programs for several types of institutions thus advancing the Bureau's ability to accomplish construction speedily. Consultant engineers have been employed to prepare working drawings on several major utility jobs, again speeding up the process of getting work done.

The Bureau extended its program of intensive development for persons at executive levels to department heads with the first of a series of regional conferences. Greater emphasis also is being put on personnel development and supervisory training at the institutions.

The University of Illinois study of Federal prisoners is expected to be completed in calendar year 1962. This research is being financed by the Ford Foundation. Preliminary findings indicate that the percentage of relapses among released Federal offenders may be substantially lower than has been thought. A number of specific groupings of data are being studied as sources of guidance in program planning. These include evidence of the value and need of closer relationship between correctional officers and inmates. They emphasize the limitations of educational programs staffed by inmate teachers. They are suggestive of possible ways of facilitating staff teamwork in inmate management and treatment.

The General Services Administration is completing the second phase of the comprehensive statistical reporting system.

Legislation was enacted authorizing the National Institutes of Health to make research grants to staff members working in Bureau of Prisons hospitals.

Salaries and expenses—Table of increases

	Additional positions	Increase (in thousands)
1. Closing of Alcatraz	−143	−$1,173
2. Strengthening receiving institutions	54	395
3. Deferred positions	58	336
4. Opening of Marion	231	1,556
5. Establishment of a west coast camp	29	280
6. Conversion of Texarkana to a youth institution	29	184
7. Improvement of institution maintenance		500
8. Equipment		430
9. 1-cent care increase		91
10. Maintaining level of employment		745
11. Injury compensation		33
12. Pay increase—Schedule II		850
13. Nonrecurring items		−246
Total	258	3,981

Closing of Alcatraz ($1,173,000)

It has become necessary due to the physical deterioration of the plant, to close Alcatraz. Phasing out operations will be completed during fiscal year 1963 and funds presently used at that facility will be available for use at other institutions. It is proposed that these funds be applied as follows:

To strengthen staff at institutions receiving Alcatraz prisoners	$395,000
To authorize positions proposed in 1963 budget	336,000
To apply against costs of opening Marion	442,000
Total	1,173,000

Strengthening receiving institutions ($395,000)

The closing of Alcatraz requires the redistribution of its population to other close custody institutions. The tentative allocation is as follows:

Atlanta	80
Leavenworth	90
McNeil Island	60
Lewisburg	30

Each of these institutions has made a careful analysis of its security requirements to asure that (*a*) adequate tower coverage is in effect, (*b*) sufficient supervision is available within the designated cell blocks and (*c*) adequate supervision is available to carry out thorough searches and shakedowns. It is also necessary to strengthen the coverage in the hospital units by providing nighttime supervision. On the basis of the Bureau's analysis of these surveys it is planned to assign additional personnel as follows:

	Custodial	Medical and technical assistants
Atlanta	15	2
Leavenworth	15	2
McNeil Island	9	2
Lewisburg	6	3

Deferred positions

Sixteen clerk-stenographers (records office) GS–4 ($72,000).—These positions would be used to handle the typing, processing, and filing of records on inmates. These records include information of the inmate's connection with other criminals, psychiatric problems, family relationships and other personal matters. Much of the material is a part of the presentence investigation made by the courts—investigations which are so confidential that they ordinarily are not even available to the inmate's defense counsel. With present staffing, however, inmates handle other inmates' records constantly.

Experience at the Atlanta Penitentiary indicates that four additional civilian employees are required to do the work on records which is now done by inmates. These 16 positions were proposed in the fiscal year 1963 budgets. If they are now approved, the total will be sufficient to meet the need at all penitentiaries, the larger reformatories, and the medical center.

Extension of casework supervisor positions to additional institutions ($49,000).—Six additional GS–10 positions are requested for casework supervisors. These positions have proved to be highly successful in improving the caliber of casework at the limited number of institutions where they are presently authorized. The incumbents handle a number of the more difficult cases where special counseling skills or community contracts are required. In addition they provide, direction, review, and consultation to the journeyman caseworker. It is proposed to establish these positions at institutions having more than 500 average population. These six were proposed in fiscal year 1963.

Twenty-five correctional officer positions GS–6 ($139,000).—An increase of 25 correctional officer positions is requested. These positions will be distributed among institutions which are (*a*) unable to provide supervision in certain living quarters or able to provide only superficial coverage or (*b*) placing too many inmates under the supervision of a single work detail officer.

Both of these situations present threats to the security of the institutions and are conducive to escapes, assaults, and other incidents. The total staff of correctional officers has failed to keep up with the growth in population in recent years. These positions were proposed in fiscal year 1963.

Five mechanical positions ($37,000).—It is requested that five additional positions be provided. Three of these will be electricians and two plumbers. These positions will be concerned primarily with preventive maintenance—trying to correct conditions before they become serious and replacing defective parts before they cause damage to an entire system. Deterioration of electrical and heating facilities is approaching the emergency stage in many of our institutions. Approval of the positions will assist materially in combating plant decay resulting from age and the elements.

Medical positions ($39,000).—The importance of improving psychiatric and psychological services increases as institutions attempt to improve their diagnostic work and ability to control the behavior of the very difficult individual. Two additional professional staff will permit two more institutions to provide diagnostic services to the courts under section 4208(b) of title 18 which authorizes a judge to commit an individual for diagnosis and sentence recommendation. At the present time inmates must often be transported a considerable distance to an institution where diagnostic services are available.

The nature of medical and psychiatric information recorded on inmates' records makes it essential that other inmates not be permitted to handle the records. At the present time many doctors and psychologists are doing their own typing with consequent losses in the time which is available to them for professional work. Four clerk-stenographers, GS–4, will be assigned to those major institutions where the volume of medical work is heaviest. Both psychologists and clerk stenographers were proposed in fiscal year 1963.

Opening of the Marion Institution ($1,556,000)

The general contractor on the Marion Institution should complete his work in the spring of 1963. At that time a camp-type operation will be established at Marion consisting of approximately 200 older, minimum-security, semiskilled inmates. Supervision will be provided primarily by the mechanical service with a small group of custodial officers and other types of staff. The camp staff will form the nucleus of the permanent staff so as to permit simultaneous planning for full-scale operation. The camp population will gradually expand as units are completed, furnished, and thoroughly inspected. It is expected that the Institution will have a population of 600 by the end of fiscal year 1964, and an average population of 450 during that year. The Institution will be used primarily for younger adults who have been difficult to handle in the regular institutions and who may be expected to show more progress under a specialized staff and program.

It is planned that there will be a gradual buildup of the Marion staff to a total strength of 266 employees. This total complement includes the following positions:

Custodial	176
Food	8
Mechanical	34
Advisory	21
Administrative	27
Total	266

The costs of operating Marion during fiscal year 1964 are estimated as follows:

Personal services and benefits (based on an average employment of 170)	$1,119
Full-year costs of maintenance and operation	135
Equipment for inmates and offices	158
Inventory buildup	107
Employee and inmate transfers	105
Uniforms for new employees	31
Total	1,655
Less amount included in 1963 base	—99
Total	1,556

It should be noted that additional funding will be required in fiscal year 1965 to provide for full-year staffing of all approved positions.

Establishment of a west coast camp ($280,000)

As a part of efforts to relieve overcrowding in existing institutions it is proposed to establish an additional adult camp on the west coast. The facilities at Terminal Island and McNeil Island are very overcrowded and west coast commitments have shown above average growth.

There is space available to establish a camp on one of several Air Force bases. This means that little, if any, construction will be required. The work program will involve furnishing details to the Air Force base. Average daily costs at the camp should be substantially lower than at a regular correctional institution.

The sum of $280,000 is requested to establish the camp, the complement to include 29 positions. The Air Force will provide supervision for inmates assigned to work details. Nonrecurring activation costs included in the total request are estimated at $35,000 for the transfer of officer personnel, purchase of a minor amount of equipment, and minor remodeling of existing facilities.

Conversion of Texarkana to a youth institution ($184,000)

The fiscal year 1963 appropriation includes funds to expand facilities at Texarkana in order that it may be used as a youth institution. It will also be neces-

sary to increase the staff to a level commensurate with those at Ashland and Englewood. Twenty additional correctional officer positions are proposed and nine additional advisory positions. The latter group will include one additional parole officer, one additional chaplain, four additional teachers, one additional recreation supervisor, and two clerks.

Improvement of institution maintenance ($500,000)

For several years the amounts appropriated for institution maintenance were not sufficient to keep maintenance and repairs on a current basis. Despite modest increases in available amounts we continue to be far behind in the struggle to keep the physical plant in safe condition and proper repair. Deterioration of electrical and heating equipment is rapidly reaching crisis proportions in several institutions. For example, during fiscal year 1962 the McNeil Island Penitentiary had to operate on emergency generators for nearly 3 months because the main power cable had rotted to the point that it was unusable. The costs of using emergency power was over $100 per day above the normal rate. Often postponed roof replacements, tuck pointing, concrete repairs, and plaster refinishing are turning into major, and more expensive, projects when they are actually carried out. For example, the dining room at Natural Bridge has reached a point that it is no longer possible to repair it and the building will have to be abandoned in the immediate future. It is essential that we make a major effort to overcome those maintenance deficiencies which may, if they are continued, render inoperable essential facilities in a number of institutions. The approval in the fiscal year 1963 budget of 23 additional mechanical positions will help, but these personnel, as well as existing personnel, need additional supplies and materials with which to do an adequate job.

An increase of $500,000 is requested. Of this amount, approximately $115,000 is required to cover the increased costs of utilities—heat, light, and water—resulting from higher rates and purchase prices. The remaining $385,000 will be distributed among the 30 institutions in accordance with the size of their maintenance backlogs.

Equipment ($430,000)

Equipment is defined to include only those items or groups of items costing over $100. Most equipment is used for shops, kitchens, dormitories, hospitals, and similar areas. During fiscal year 1963 the Bureau will invest about $400,000 in new equipment. This is several hundred thousand dollars less than the recorded depreciation figure and indicates that we are not keeping up with replacement needs. Equipment purchases must, of necessity, receive the sharpest cutbacks whenever emergency or unanticipated situations develop. For example, the establishment of a new detention center at Florence, Ariz., will produce unbudgeted expenses of $35,000 in fiscal year 1963 and $85,000 in fiscal year 1964. Although surplus property has been of substantial assistance to us in replacing many kinds of equipment, there are substantial needs which we are unable to meet through surplus.

Among the critical areas which require additional equipment funds are heavy kitchen equipment, inmate clothing lockers, beds and mattresses. A recent survey of all institutions revealed that there are 1,784 beds and 2,869 lockers which are beyond repair and should be replaced; 5,902 beds and 2,150 lockers could be repaired if funds were available. The additional funds requested ($430,000) would make available a total approximately equal to the total annual depreciation recorded in the Bureau's accounts.

"Care" increase of 1 cent ($91,000)

An increase of 1 cent[1] to a total of 84 cents is requested for fiscal year 1964. These funds will be used in the proportion of 25 percent for increased food expenses, 25 percent for higher costs of medical attention, and 50 percent for program improvement in the education and welfare categories. In recent years the Bureau has insisted on improved quality in the education, library, and religious welfare programs. To that end additional persons have been provided at several institutions or existing personnel have been assigned greater responsibilities. These funds are necessary to provide the supplies and materials for programs generated by the staff. Food and medical amounts are based on demonstrated costs of providing these services.

[1] At the suggestion of the General Accounting Office, accounting changes are being made which will move minor equipment charges from the "equipment" to the "care" category. This will have the effect of increasing the approved 1963 per capita figure from 82 cents to 83 cents.

Maintaining level of employment (*745,000*)

Additional salary funds to support the authorized level of positions will be required in fiscal year 1964. These increases are due to four factors:

2 additional day's pay	$256,000
New civil service standards	116,000
Wage board increases	188,000
Within grade increases	185,000

There are 262 workdays in fiscal year 1964 as compared to the normal of 260. The estimate is calculated on the basis of the approved number of permanent positions.

The Civil Service Commission is issuing new classification standards which will raise the senior officer level from GS–7 to GS–8, and bring one to two grade promotions to most custodial supervisors. These changes were forecast but not funded in the fiscal year 1963 budget.

The wage board increases are based on the costs of increases granted during fiscal year 1962 and do not include any money for increases to be granted in fiscal years 1963 and 1964.

The within grade salary increases are the net additional funds required after considering turnover and lapse savings. They are calculated on the basis of position rosters submitted by each institution.

Injury compensation (*$33,000*)

Legislation enacted in 1960 (sec. 309, Public Law 86–767) requires Federal agencies to reimburse the employees compensation fund for payments made to persons formely employed by the agency. During fiscal year 1962, the amount paid was $33,000.

Employees' pay increase (*$850,000*)

The amount requested will provide salary increases for classified employees in fiscal year 1964 as specified in Public Law 87–793.

The amount required is computed on the basis of 4,237 man-years of GS employment for regular Bureau roll and 183 man-years of GS employment under the Public Health Service allocation using $6,240 and $6,704 as average salaries respectively. To this was added the originally computed amount for other personnel compensation. GS salary needs were thus computed to be $29,106,000 to which was applied 7.55 percent for salary increase in 1964 ($2,198,000) plus 7.2 percent for retirement and insurance costs ($158,000) resulting in a total need of $2,356,000. Of this amount, $1,315,000 is being requested as a supplemental in 1963, $135,000 applies to personnel increases requested for 1964 and $56,000 will be absorbed. The remainder, $850,000 is requested to finance positions approved through 1963 at the 1964 salary levels.

Mr. ROONEY. This request is in the amount $54,100,000, which would be an increase of $5,286,000 over the amount appropriated to date in the current fiscal year. Is that correct?

Mr. BENNETT. Yes, sir.

ADDITIONAL POSITIONS

Mr. ROONEY. According to page 28–6, you now expect the Congress to approve 258 additional positions even though Alcatraz is going to be closed before we even get to the fiscal year, to wit, April 15, 1963. Is that right?

Mr. BENNETT. I think that is correct, sir.

DEFERRED POSITIONS

Mr. ROONEY. What is this item entitled "Deferred positions," $336,000?

Mr. BENNETT. Mr. Chairman, you will remember that last year we came up with an estimate of positions needed to enable us to substi-

tute civilian help for prisoner help in our classification sections, in our record offices, casework people, and so on. You allowed a part of it, I think about half. So we construed that the principle was established, and so we have asked for the additional number requested at that time.

BASIS FOR INCREASES REQUESTED

Mr. ROONEY. I wonder if you would be so good as to imagine we are taxpayers over on this side of the table and explain how it is you now come along for a $5 million increase attendant upon the closing of Alcatraz and with a drop in your estimated prison population of 1,152 prisoners. This is awful hard to understand. Just imagine you are talking to the taxpayers and see if you can explain it to us.

Mr. BENNETT. In the first place, Mr. Chairman, the closing of Alcatraz is only incidental.

HISTORY OF BUDGET REQUEST

Mr. ROONEY. Who gave you this budget?

Mr. BENNETT. We have combed it over and back and forth. I have tried to cut it down in every way possible, Mr. Chairman.

Mr. ROONEY. How much did you ask of the Bureau of the Budget?

Mr. BENNETT. We asked a lot more.

Mr. ROONEY. I expected that. You even asked more than that of Mr. Andretta, I will bet, too, did you not?

Mr. BENNETT. I think we did.

Mr. ROONEY. Let us have the amounts, please.

Mr. BENNETT. I will have to supply them.

Mr. ROONEY. Please furnish at this point in the record the amount that was requested under the various categories of the Attorney General and then of the Bureau of the Budget.

(The information to be supplied follows:)

Budget estimates, fiscal year 1964

[In thousands of dollars]

	Bureau request [1]	Departmental action	Agency request to Budget Bureau	Budget action	Approved budget
Federal prison system:					
Bureau of Prisons	54,332		54,332	−232	54,100
Buildings and facilities	41,300	−12,200	29,100	−11,325	17,775
Support of prisoners	4,200		4,200		4,200
Total, Federal prison system	99,832	−12,200	87,632	−11,557	76,075

[1] Includes revision of original estimate to reflect Pay Act costs

Mr. ROONEY. Go ahead, please.

BASIS FOR ADDITIONAL POSITIONS AND FUNDS REQUESTED

Mr. BENNETT. You asked me to justify this increase in our personnel. I have undertaken to justify the need for the additional 54 positions to strengthen our existing institutions during the time when

we are getting our new institution in operation and also to offset some increase in our population. Our population has increased as well.

DECREASED POPULATION

Mr. ROONEY. Your population has decreased to the extent of 1,152 from the number you estimated in connection with your budget last year, at which time you got an increase in all your items; is that right?

Mr. BENNETT. I think that is right.

Mr. ROONEY. I think that is so.

Mr. BENNETT. I think that is right; yes, sir. But the principal item in here is the money to fund——

Mr. ROONEY. In other words, Mr. Bennett, you got money last year sufficient to operate at a 25,000 population. It subsequently turns out you are 1,152 less than 25,000, and with that circumstance now and the closing of Alcatraz, you come along and want $5,286,000 more. This is hard to understand.

Mr. BENNETT. The principal item, as I say, is money for full operation of Marion in 1964, 231 employees, $1,556,000. As I said in the statement, we are having problems of overload on the west coast, and we wanted to establish, if we could, a west coast prison camp. That accounts for 29 additional positions.

REDUCED POSITIONS AT ALCATRAZ

Mr. ROONEY. Mr. Bennett, you are reducing 143 positions at Alcatraz?

Mr. BENNETT. That is right.

ADDITIONAL POSITIONS REQUIRED TO OPEN MARION

Mr. ROONEY. Who would in the ordinary course of things work at Marion if you were so disposed to spot them there. So that you only need 88 additional people to open Marion; is that right?

Mr. BENNETT. Over what Alcatraz was, yes, sir; that is correct.

Mr. ROONEY. That is correct. But you want 258.

Mr. BENNETT. 231.

Mr. ROONEY. 258 is the figure I see at page 28–6.

Mr. BENNETT. That is the whole number. That takes into account 29 positions for opening a new camp on the west coast.

DEFERRED POSITIONS

Mr. ROONEY. What is this item entitled "Deferred positions," where you want 58 additional people and $336,000 of the taxpayers' money?

Mr. BENNETT. You will remember, as I said, that in the 1963 budget we asked for some additional positions—clerk-stenographers, case-work supervisors, and some additional correctional officers. Your committee allowed part of them. So we are asking——

Mr. ROONEY. Now, you are back here again and you entitle them "Deferred positions," $336,000.

Mr. BENNETT. The principle having been approved, Mr. Chairman, we construe those as——

Mr. ROONEY. We did not approve any principle. We gave you what we thought was enough money to run your institutions and to give you the people you needed. Is that right, Mr. Andretta?

Mr. BENNETT. He nods his head, yes.

Mr. ROONEY. He said that is right. He said that is right; he did not nod his head.

Mr. BENNETT. He nodded his head, yes.

MAINTAINING LEVEL OF EMPLOYMENT

Mr. ROONEY. What, pray, is this item entitled "Maintaining level of employment," three-quarters of a million dollars?

Mr. BENNETT. That is the amount of money necessary, Mr. Chairman, to enable us to maintain the number of positions on a full-year basis that you have allowed us in our approved organization. Were it not for that, we would have to decrease it in order to take care of certain items set forth on page 28–17. This next year is leap year. In addition to that, there is an additional workday in the year. Two days' pay for this organization of ours costs $256,000. The wage board and the within grade increases, and so on, add that up to the total of $745,000.

ABSORPTION OF INCREASED PAY COSTS

Mr. ROONEY. How much of the new pay act money have you absorbed, what percentage?

Mr. BENNETT. Not very much, virtually none.

Mr. ROONEY. This is one area in which you are very modest.

Mr. BENNETT. That we have not absorbed any?

Mr. ROONEY. Yes.

Mr. BENNETT. Those are the facts. We run for 24 hours a day, 365 days a year, and with a constantly increasing load. It is pretty difficult to absorb anything. The only way we could absorb it would be to cut down on our——

Mr. ROONEY. I had a note here with regard to page 28–4. Of course, we now have the facts on the record with regard to prison population, but it did appear from reading this at the outset that there was very little said about population, "parenthesis, it must be down or below their estimated average for the year, close parenthesis."

Mr. BENNETT. We are trying to make these justifications as short and succinct and to the point as possible, Mr. Chairman.

Mr. ROONEY. You estimate the 1964 population to be what?

Mr. BENNETT. 25,000.

REFLECTION OF DECREASE IN POPULATION IN BUDGET FOR FISCAL YEAR 1963

Mr. ROONEY. That is the estimate you gave us last year for the current fiscal year, to wit, 1963. In view of that, how much money will revert to the Treasury in view of the fact, you are 1,100-some-odd below? Assume you get to the end of the fiscal year. How much will revert to the Treasury as a result of the 1,152 drop in population?

Mr. BENNETT. We will absorb some of that in the pay increase, we hope before the end of the year. About $60,000 we expect to be able to absorb if there has been no change in this picture.

Mr. Chairman, I would like, if you please, to take a little credit for this decrease in the population if you will permit me to say so. First of all, we had maintained a constant pressure on the courts to try and keep out of the Federal system the juvenile delinquents, which we think are a State responsibility and should not be turned over to us. We have been doing everything we could to encourage the courts and probation officers to divert those to State cases.

Secondly, there has been an increase in number of paroles granted, which has resulted in the decrease in population.

In the third place, Mr. Chairman, as you know, I have been taking a good deal of interest in these sentencing institutes whereby the judges are brought together and they discuss what the sentence should be for different types of offenders, with the result that some of these sentences have been smoothed out.

In addition to that, judges have been committing to us for diagnosis and recommendation cases about which they have some question.

Mr. ROONEY. This is all highly commendable, Mr. Bennett, but I think it would be a much better case if in addition to your efforts in this regard, which you say have resulted in a drop in the population, you also were able to show a drop in the cost of maintaining the prison system.

COST INCREASE

Mr. BENNETT. Mr. Chairman, prices are going up, costs are going up.

Mr. ROONEY. How much is in here for prices going up?

Mr. BENNETT. We have an estimate.

Mr. ROONEY. It is peanuts. It does not amount to very much, does it?

Mr. BENNETT. In our utilities appropriation, it has gone up.

Mr. ROONEY. What is the total price increase as far as utilities are concerned? That cannot be very much either.

Mr. KOLINCHAK. $75,000, I believe.

Mr. ROONEY. That is peanuts in the requested increase of $5,286,000 and in a budget of $54,100,000, is it not?

Mr. BENNETT. Take one isolated item alone, yes. It is peanuts. I will settle for it.

Mr. ROONEY. If you will at this point in the record, kindly insert a statement indicating out of the $54,100,000 budget how much is for price increases. We would be very happy to have that.

Mr. BENNETT. I will do that, sir.

Mr. ROONEY. I am sure it does not amount to very much out of the $54,100,000.

Mr. BENNETT. Yes, it does, for that and for material costs, sure.

(The information to be supplied follows:)

Statement showing amounts in 1964 estimate for salaries and expenses to cover cost increases

Item	Cost increases	To be absorbed	Requested as part of increase for 1964
Utility costs	[1] $115,000		$115,000
Food costs	35,574	$12,824	22,750
Medical costs	24,355	1,605	22,750
Motor vehicles	12,500	12,500	
Paint and maintenance materials	45,000	45,000	
Clothing costs	26,211	26,211	
Totals	258,640	98,140	160,500

[1] Annualized from $75,286.83, 1962 actual over 1961.

BASIS FOR ESTABLISHING A WEST COAST CAMP

Mr. ROONEY. With the decrease in population, you still want to establish a west coast camp?

Mr. BENNETT. Yes.

Mr. ROONEY. At a cost of $280,000; right?

Mr. BENNETT. Mr. Chairman, over the years you know we have been overcrowded in all of these existing institutions. I want to cut down that overcrowding. We have 10 men in a cell at McNeil Island.

Mr. ROONEY. This on top of the opening of Marion, which has accommodations at the outset for what? Is it 450 prisoners?

Mr. BENNETT. That is just the amount of increase for a single year. These things are going up all the time.

Mr. ROONEY. Then you have opened the Eglin Air Force facility; right?

Mr. BENNETT. That is helping us out in this area; yes, sir. That is helping us out on the east coast.

Mr. ROONEY. How about some of these other ones? You slid one in there a couple of years ago down in Senator Hayden's State of Arizona.

Mr. BENNETT. No; that was something that came my way without asking. Nevertheless, it turned out to be a good thing.

Mr. ROONEY. There were no conferences previous to it coming your way?

Mr. BENNETT. No conferences previous to it coming my way. Let me say that Arizona, has had a tremendous increase in population and they do not have any place for their jail prisoners so we have found Florence a very valuable asset.

Mr. ROONEY. Do we have to go all over this thing once again? We do it every couple of years to show that in a number of places you are not up to snuff. For instance, you never were up to par in Alcatraz, were you?

Mr. BENNETT. You mean up to the applied capacity?

Mr. ROONEY. Right.

Mr. BENNETT. That is right, sir.

The chairman is very well acquainted with our operations over the years and he knows these figures as well as I do.

ESTIMATED TOTAL COST OF MARION INSTITUTION

Mr. ROONEY. I would like to get one final question in. What is your 1963 estimate of the total cost at Marion, Ill.?

Mr. BENNETT. $250,000 for 1963.

Mr. ROONEY. What do you mean by that; total cost?

Mr. KOLINCHAK. Aggregate.

Mr. ROONEY. The whole thing?

Mr. WILKINSON. The cost of the facility?

Mr. ROONEY. Yes.

Mr. BENNETT. You mean the institution itself?

Mr. ROONEY. How much over the $10 million you got do you have at the present time in your estimate?

Mr. BENNETT. We are going to have no deficiency if that is what you mean. I told you we were not going to have any deficiency.

Mr. ROONEY. You already have a deficiency on equipment because you already got the money for it?

Mr. BENNETT. I do not think that is right. I do not think that is fair, Mr. Chairman. There are different kinds of equipment.

Mr. ROONEY. What is the total now? You told us $10 million. I will read you the testimony from the 1961 budget.

Mr. BENNETT. The last accounting from General Services is $9 million.

Mr. WILKINSON. All but $120,000 has been obligated.

Mr. BENNETT. $9,880,000 has already been obligated.

Mr. ROONEY. Do not change the subject. Stay with the question and give us an answer, please.

What is the total right now?

Mr. BENNETT. $9,880,000.

Mr. ROONEY. You are telling me what is obligated and I want to know what is to be the total cost of the Marion institution.

Mr. BENNETT. $10 million.

Mr. ROONEY. It will be more than that.

Mr. WILKINSON. It is, plus $500,000 for staff housing and perimeter security facilities involved, $400,000, plus a little more for that.

Mr. ROONEY. That is $10.9 million but what about these other items you have in here?

Mr. KOLINCHAK. $10.9 million is for Buildings and Facilities. These are in the salaries and expenses appropriation which are more nearly in the way of activation costs.

Mr. ROONEY. Do you recall the testimony I read this morning that $10 million was to include equipment?

Mr. KOLINCHAK. Yes.

Mr. ROONEY. What do you have in here for equipment? I want to know what your latest figure is on this on the total?

Mr. WILKINSON. This kind of equipment includes communications, typewriters, chairs to sit on, and things of that sort, and not fixed equipment which we usually consider in a hospital and things of that sort.

Mr. BENNETT. That is what I wanted to say. You have explained it better than I, Fred.

Mr. WILKINSON. Communications equipment would be quite a big item there.

Mr. BENNETT. Intercoms.

Mr. WILKINSON. Book-storage equipment; and the initial inventory includes food, subsistence, and other items.

Mr. ROONEY. We will just go over this as we did 3 years ago and see what your answers to those questions were.

Mr. ROONEY. The total cost for this institution will be in what amount?

What is your answer today?

Mr. BENNETT. The total construction cost?

Mr. ROONEY. The total cost for this institution will be in what amount, including equipment, furnishings, basic equipment, and furnishings?

Mr. BENNETT. $11,058,000, approximately.

Mr. ROONEY. Have you included the $250,000 for the camp at Marion?

Mr. BENNETT. That is activation cost, not part of the construction item.

Mr. ROONEY. Mr. Bennett, last year you told us:

We are asking for $250,000 to activate another camp at the site of our maximum-custody institution at Marion, Ill., and to open that camp in February 1963, when the new maximum-custody institution will be completed by the contractors, we want to use inmate labor to complete finishing work about the institution. They will do the painting, laying the floor tile, taking care of the parking areas, putting up fences, and so on. They will be the shakedown crew. The opening of this camp will enable us to get started at a minimum activation cost and that is $250,000 for this other camp * * *.

Then you added:

* * * These are the instances that take up part of this increased population we anticipate.

Is that included in this?

Mr. BENNETT. That is this year's fund and we are going to open up this——

Mr. ROONEY. At a total cost of $11 million-plus?

Mr. BENNETT. No; no. That is the building. I was talking about the activation costs.

Mr. ROONEY. What is the total cost? I thought that when you gave the $11 million-plus figure a while ago that was the total cost. That is my question: What is the total cost? That would certainly include a quarter of a million dollars here for a camp.

Mr. BENNETT. That is operating cost, getting it going.

Mr. ROONEY. What is the total? I do not know what you call the cost, but what are the total costs? What would that be, including everything?

Mr. BENNETT. You mean the 1964 estimate? Is that what you want to include?

Mr. ROONEY. I want your figure today as to what the total for all sorts of costs will be for the Marion Institution from the day you got the first money.

Mr. BENNETT. Until the day it is opened?

Mr. ROONEY. Until the day it is opened and in operation.

Mr. WILKINSON. That is total operational cost for 1964 that you have there.

Mr. BENNETT. $11,058,000, and if you include the present year's figure of $250,000, which is operating cost, it will be $11,308,000.

Mr. ROONEY. My attention is called to the testimony last year at page 644 of the printed hearings:

Mr. ROONEY. When you proposed the erection of a maximum-custody institution at Marion, Ill., and you submitted justifications for a $10 million institution, did you at that time contemplate this item which is now before us in the amount of $250,000?

Mr. BENNETT. I do not know that we contemplated that we would open the institution in this way, Mr. Chairman.

Mr. ROONEY. We thought the entire institution, as a matter of fact we were assured by you, that the entire institution would cost $10 million. We are now up by a quarter of a million dollars beyond that if we approve this item.

Mr. BENNETT. That is true.

Mr. ROONEY. Today we find out that instead of being up a quarter of a million dollars beyond $10 million, we are up $1,300,000-some-odd; correct?

Mr. BENNETT. That is correct, if you figure it that way; yes, sir.

Mr. ROONEY. This is hard to understand.

"PRESSURE" ON FEDERAL JUDGES REFUSING FEDERAL JURISDICTION OVER JUVENILES

Mr. SMITH. How do you put "pressure" on Federal judges who refuse Federal jurisdiction over juveniles who commit Federal crimes?

Mr. BENNETT. Perhaps that is an unfortunate word but we call their attention to the desirability of diverting these cases by various means. We call the U.S. attorney's attention to the fact that the case ought to be diverted to the State courts through various statements.

Mr. SMITH. What reasoning do you give them for this?

Mr. BENNETT. We ask them to divert on the ground that those are responsibilities of the local communities in most cases. They are the ones who should take care of their own——

Mr. SMITH. It has nothing to do with lack of facilities, then?

Mr. BENNETT. That is one of the things we usually state, that the Federal Government is not equipped to take care of these juveniles as well as the local people, that they have to be removed long distances from their homes, that we lack the community facilities that are desirable in helping these youngsters readjust back into their own communities.

Mr. SMITH. Some communities do not have any facilities either, do they?

Mr. BENNETT. Some communities do not have any facilities, either, and that is the basic problem.

Mr. SMITH. What description are you using for a juvenile?

Mr. BENNETT. Seventeen years of age and under.

Mr. SMITH. That is all, Mr. Chairman.

Mr. ROONEY. Mr. Bow?

USE OF ACCELERATED PUBLIC WORKS FUNDS

Mr. BOW. Mr. Bennett, I am interested in clearing up in my mind the use of accelerated public works funds. When you get these funds, who makes the application for them?

Mr. BENNETT. We make application to the Area Redevelopment Administration in the Department of Commerce.

Mr. BOW. Application is made directly by the Bureau of Prisons?

Mr. BENNETT. Through the Attorney General, of course.

Mr. BOW. I have been trying to find out what authority there is in law to do that. Can you tell us, Mr. Andretta, what authority there

is in law for the Attorney General to make application under the accelerated public works program?

Mr. BENNETT. It is in the public works program itself. It is included in the public works bill. It enumerates the word "prisons."

Mr. ANDRETTA. Then they put it in the Department.

Mr. WILKINSON. Prisons and Training Schools.

Mr. BENNETT. You will find it in the report.

Mr. BOW. As I read the law:

> Upon the application of any State or political subdivision thereof, Indian tribe, or private or public nonprofit organization or association representing any redevelopment area or part thereof, the Secretary is authorized to make grants * * *

and so forth.

Where do we come under that?

Mr. BENNETT. We do not. There is another section there for the Federal.

Mr. KOLINCHAK. I believe it may be section 4.

Mr. BENNETT. That is the Area Redevelopment Administration?

Mr. BOW. Yes. That is not the one you are talking about?

Mr. BENNETT. No; the Public Works Acceleration Act, Mr. Bow, is referred to the Department of Commerce for administration and the Department of Commerce in turn allocated it to the Area Redevelopment people.

Mr. BOW. When you make this application and get these funds, is this in addition to the amount granted you by the Appropriations Committee?

Mr. BENNETT. Yes, sir.

Mr. BOW. It rather takes control of the appropriation for an agency away from the Congress, does it not?

Mr. BENNETT. Well, I do not know whether I would phrase it that way or not. It is parallel——

Mr. BOW. It is anticipated, as I understood that to happen, agencies come to the Congress, submit their requests for appropriations, hearings are held by us and a determination is made by the Congress on what funds should be used. Then that appropriation is passed by the House and the Senate and in addition to that you are able to go to the accelerated public works program and get additional money? Does that not circumvent the appropriations procedure as we have known it in the past?

Mr. BENNETT. We submit it to the——

Mr. BOW. Answer my question, please, and then you may give your explanation.

Mr. BENNETT. I do not know that I could properly say it circumvented Congress, Mr. Bow.

Mr. BOW. It gives you another way of getting funds that you have not had before; is that true?

Mr. BENNETT. That is true.

Mr. BOW. Now give your explanation if you care to.

Mr. BENNETT. My explanation is that at the time the Area Redevelopment Administration was making up its budget for consideration by the Appropriations Committee, they asked us what items we wished them to consider and we submitted a list of items aggregating, incidentally, some $65 million.

Mr. Bow. Were those items ever submitted to any other committee of Congress?

Mr. BENNETT. Yes, sir.

Mr. Bow. For any of the items?

Mr. BENNETT. To the House and Senate Appropriations Committees.

Mr. Bow. They were submitted?

Mr. BENNETT. Yes, sir.

Mr. Bow. Were there any items in the accelerated public works program you have received that you have submitted to this committee?

Mr. BENNETT. No, sir. The Budget Bureau and the Area Redevelopment Administration disapproved any items that were included within our budget.

Mr. Bow. That is the current budget?

Mr. BENNETT. The current budget.

Mr. Bow. How about budgets of the past?

Mr. BENNETT. No; there have been none included in the budgets of the past.

TOTAL ACCELERATED PUBLIC WORKS FUNDS ALLOCATED TO JUSTICE DEPARTMENT

Mr. Bow. What is the total throughout the Department of Justice, Mr. Andretta, of funds that have been approved and allocated to the Justice Department?

Mr. ANDRETTA. $1.3 million for the Bureau of Prisons and $500,000 for border patrol stations for the Immigration Service.

Mr. Bow. Any other areas?

Mr. ANDRETTA. No, sir.

APPLICATIONS PENDING FOR ADDITIONAL MONEY

Mr. Bow. Do you have any applications pending now for any additional money?

Mr. BENNETT. Yes, sir.

Mr. Bow. How much do you have pending now?

Mr. BENNETT. We have quite a lot pending, but with the prospect of receiving about $1.3 million.

Mr. Bow. You mean an additional $1.3 million?

Mr. BENNETT. We have some hope we will be able to get that.

Mr. Bow. What is the total pending? You say that is what you hope you will get, and you say you have some you do not think you are going to get, but what do you have pending, total?

Mr. BENNETT. Let me say at the outset——

TOTAL APPLICATIONS UNDER ACCELERATED PUBLIC WORKS PROGRAM

Mr. Bow. Let me ask this question and I think you can answer it very easily.

What is your present total applications for additional funds from the Area Redevelopment Administration? What is the total under the accelerated public works program?

Mr. BENNETT. Under the present formula, $1.3 million more.

Mr. WILKINSON. That is a specific request now, sir. We presented more in the beginning of priority projects.

Mr. Bow. What were those amounts presented?

Mr. BENNETT. Originally we presented an amount totaling $65 million in round figures.

Mr. WILKINSON. New institutions, new construction.

Mr. BENNETT. It was all to carry out our long-range construction program.

Mr. Bow. You think you are going to get another $1.3 million?

Mr. BENNETT. $1.3 million.

Mr. Bow. Where do you intend to use that?

Mr. BENNETT. Some of it will be used in West Virginia; some of it will be used for Ohio; and some will be used in——

Mr. Bow. What other places?

Mr. BENNETT. Sandstone, Minn.

Mr. ROONEY. This $275,000 in this budget here today is for Sandstone?

Mr. BENNETT. Yes; but that is a good illustration, Mr. Chairman.

Mr. Bow. It is a good illustration of how this accelerated public works fund is being used to circumvent the Appropriations Committees of the Congress.

Mr. BENNETT. No, Mr. Chairman. I do not want you to get a mistaken idea. This $275,000 in here was to build an activities building. We submitted that request to the Area Redevelopment Administration and they said, "No, you cannot have that because that item is in your budget."

We asked them for some money for personnel housing which we need badly and which is not in our budget.

Mr. Bow. Why is it not in this budget, if you need it badly? Why did you not put it in?

Mr. BENNETT. We have to put in these capital construction things over a period of time. We have had this long-range construction program and we are trying to spread it over a number of years with planned budgeting. We did not want to put it all in it at once. As to this $65 million, had we been able to get it, it would have taken care of my capital needs for quite a while but we did not get it.

ORIGINAL REQUESTS TO ATTORNEY GENERAL FOR BUREAU

Mr. ROONEY. Approximately what did you ask for?

We have asked for an insertion on this but what is your best recollection at the moment of what you asked of the Attorney General for the Bureau of Prisons for 1964?

Mr. KOLINCHAK. I was absent at the time but I believe it may be $1 million higher than what the figure is. I just do not have that available.

Mr. WILKINSON. I am quite sure the repairs——

Mr. ROONEY. I am not talking about the repairs but the total?

Mr. BENNETT. That was $1 million more.

Mr. WILKINSON. $1 million was cut out by the Attorney General.

Mr. KOLINCHAK. The total is considerably higher if you include construction.

Mr. ROONEY. I am including everything.

What is the total you asked of the Attorney General?

Mr. KOLINCHAK. It was approximately $10 million more than what we have here, subject to correction.

Mr. ANDRETTA. $13,190,000 that he cut it down, I think.

Mr. WILKINSON. That is approximately right, as I recall.

One thing is construction money for the National Training School replacement and that was reduced, and the psychiatric hospital.

REDUCTIONS IN MAINTENANCE AND REPAIR FUNDS

Mr. ROONEY. Mr. Bennett, at page 28–14 of these justifications, you have the following statement:

* * * For several years, the amounts appropriated for institution maintenance were not sufficient to keep maintenance and repairs on a current basis.

The fact of the matter is that your items over the years for maintenance and repairs were cut by the Attorney General and the Bureau of the Budget, is that right?

Mr. BENNETT. That is right, sir.

Mr. ROONEY. Mr. Bow?

Mr. BOW. I do not believe I have any further questions.

BUILDINGS AND FACILITIES

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
BUREAU OF PRISONS			
11 Personnel compensation:			
Permanent positions	208	288	362
Other personnel compensation			3
Total personnel compensation	208	288	365
12 Personnel benefits	15	21	27
32 Lands and structures	1,931	3,556	12,584
Total costs, Bureau of Prisons	2,154	3,865	12,976
Unfunded adjustments to total operating costs:			
Property transferred in without charge (−)	−160		
Total costs, funded, Bureau of Prisons	1,994	3,865	12,976
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
32 Lands and structures	5,095	3,014	
Total costs, funded	7,089	6,879	12,976
Change in selected resources	−4,650	−2,669	5,681
Total obligations	2,439	4,210	18,657

Personnel summary

	1962 actual	1963 estimate	1964 estimate
BUREAU OF PRISONS			
Total number of permanent positions	46	50	65
Average number of all employees	29	40	45
Number of employees at end of year	23	40	50
Average GS grade	10.0	10.0	10.6
Average GS salary	$8,000	$8,440	$8,980
Average salary of ungraded positions	$7,172	$7,258	$7,326

Program and financing

[In thousands of dollars]

	Costs to this appropriation					Analysis of 1964 financing			
	Total estimate	To June 30, 1961	1962 actual	1963 estimate	1964 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required, 1964	Appropriation required to complete
Program by activities:									
1. Construction:									
(a) Maximum security institution, Marion, Ill	10,000	1,923	5,055	3,022					
(b) Psychiatric institution, Butner, NC	15,500		40	1,000	8,240	160	6,040	14,300	
(c) National Training School	8,500			250	700			700	7,550
(d) Western women's institution	8,500				475		25	500	8,000
(e) Powerplant, Lewisburg, Pa	1,968	1,386	552	30					
(f) Powerplant, Chillicothe, Ohio	1,200	100	312	489	299	299			
(g) Chapel, Chillicothe, Ohio	125	13	53	59					
(h) Staff housing, various institutions	250	91	159						
(i) Inmate housing, Petersburg, Va	325		5	175	145	145			
(j) Women's unit, Terminal Island, Calif	100			85	15	15			
(k) Strengthening close custody institutions	150			150					
(l) Chapel, McNeil Island, Wash	100			70	30	30			
(m) Chapel, El Reno, Okla	135			50	85	85			
(n) Additional facilities, Texarkana, Tex	350			75	175	275	100		
(o) Open youth institution	860			90	280	770	490		
(p) Detention Center, Florence, Ariz	300			300					
(q) Activities building, Sandstone, Minn	350			75	200		75	275	
(r) Staff housing, Marion, Ill	500				500			500	
(s) Other	545	198	337	10					
2. Repairs and improvements	3,337		736	949	1,652	152		1,500	
Total program costs	53,095	3,711	7,249	6,879	12,976	1,931	6,730	17,775	15,550

Program and financing

[In thousands of dollars]

	Costs to this appropriation					Analysis of 1964 financing			Appropriation required to complete
	Total estimate	To June 30, 1961	1962 actual	1963 estimate	1964 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required, 1964	
Unfunded adjustment to total program costs: Property transferred in without charge (−)			−160						
Total program costs, funded			7,089	6,879	12,976				
Change in selected resources [1]			−4,650	−2,609	5,681				
Total obligations			2,439	4,210	18,657				
Financing:									
Unobligated balance brought forward (−)			−1,721	−1,632	−967				
Unobligated balance carried forward			1,632	967	85				
New obligational authority (appropriation)			2,350	3,545	17,775				

[1] Selected resources as of June 30 are as follows:

	1961	1962 adjustments	1962	1963	1964
Stores	24		24	24	24
Unpaid undelivered orders	8,556	−297	3,609	940	6,621
Total selected resources	8,580	−297	3,633	964	6,645

Mr. ROONEY. The next of the three items is entitled "Buildings and facilities," gentlemen, and it appears at page 113 of the committee print and the justifications are to be found under tab 29 of the justification book.

The request is in the amount $17,775,000 which would be an increase of $14,230,000 over the amount appropriated for "Buildings and facilities" in the current fiscal year; is that correct?

Mr. BENNETT. That is correct.

Mr. ROONEY. We shall at this point insert in the record pages 29–1 through 29–10 of the justifications.

(The pages follow:)

Buildings and facilities, Federal prison system

[In thousands]

Appropriation, 1963	$3,545
Estimate, 1964	17,775
Increase, 1964 compared with 1963	14,230

EXPLANATION OF LANGUAGE CHANGES

Line 3, after "planning", delete: ", "; insert: "and".

Line 3, after "acquisition", insert: "of a new western women's institution, and a replacement institution for the National Training School,"

Line 3, after "and", delete: "commencing"; insert: "completing".

The purpose of these changes is to complete work on a psychiatric institution, continue preliminary work on a replacement for the National Training School, and acquire a site and begin advance planning for a western women's institution.

Line 5, delete: "$3,545,000", insert: "$17,775,000".

New facilities

Construction, psychiatric institution	$14,300,000
Replacement for National Training School	700,000
Western Women's Institution	500,000
Services building, sandstone	275,000
Staff housing, Marion	500,000
OTHER	
Repairs and improvements	1,500,000
Total appropriation	17,775,000

Eastern Medical and Psychiatric Center ($14,300,000)

Initial planning funds for this facility were appropriated in fiscal year 1962. A second segment for detailed planning and site preparation was appropriated in fiscal year 1963. Total funds now available aggregate $1,200,000.

A detailed architectural program was developed and reviewed with the Bureau of the Budget in November of 1961 as a basis of an original cost estimate of $16,735,000. Subsequent changes in the original estimate have reduced the total to $15,500,000. For example, a site has been obtained at Camp Butner, N.C., at no cost, making it possible to save $400,000.

Recapitulation

Total estimate, 1961	$16,735,000
Less site savings	−400,000
Less other reductions	−835,000
Total appropriation required	15,500,000
Previous appropriations	−1,200,000
Fiscal year 1964 appropriation	14,300,000

Replacement of the National Training School ($700,000)

Planning funds for replacement of the National Training School were appropriated in fiscal year 1963. This $250,000 is being used for site studies and preliminary architectural work.

Since the submission of the previous estimate it has been decided to locate the school in Morgantown, W. Va. An excellent site has been optioned by the Morgantown Chamber of Commerce and it will be available to the Bureau after independent appraisals are made and funds for site acquisition become available. The appropriation requested will provide for the site, preparation and detailed architectural work.

An architectural program has been completed and a West Virginia architect selected to prepare the plans. The cost estimate is based on the architectural program. It has been reviewed by the West Virginia architect who will design the institution.

The items included are:

[In thousands]	
Inmate housing	$2,229
Community facilities	2,369
Supporting facilities	336
Personnel housing	386
Exterior improvements	515
Utilities	715
Special equipment	320
Architectural fees, supervision, and contingencies	1,083
Site acquisition	285
Major movable equipment	262
Total	8,500
Appropriation fiscal year 1963	−250
Requested fiscal year 1964	−700
Required fiscal 1965	7,550

Western Women's Institution ($500,000)

The Bureau's approved long-range construction program includes a Western Institution for Women in fiscal year 1964. This institution will replace the facilities now being utilized at Terminal Island, thus providing relief for the badly overcrowded male section.

The Bureau of Prisons total female population has increased from 502 to 825 in the last 10 years. A very substantial portion of this increase has occurred on the west coast, particularly in California. The opening of a female unit at Terminal Island in 1955 provided temporary relief. However, the population has now outgrown these facilities and many women must be transferred to our overcrowded eastern facility at Alderson, W.Va.

It is proposed to construct an institution of modern and economical design based on a cottage plan. The capacity will be 420 including space for a limited number of mental patients with a good prognosis. An architectural program for the institution has been completed in order to arrive at a cost estimate. The items included are:

[In thousands]	
Inmate housing	$2,155
Community facilities	2,368
Supporting facilities	685
Onsite utilities	670
Exterior improvements	410
Special installed equipment	320
Personnel housing	386
Architectural fees, supervision, and contingencies	1,096
Site acquisition	200
Major movable equipment	210
Total	8,500

Sandstone, Minn., services building ($275,000)

An amount of $75,000 was approved by the Congress in fiscal year 1963 to begin construction of a service building at Sandstone, Minn. Funds are now being requested to complete the project.

The building is badly needed at Sandstone because of lack of office and program space. The services building will include offices for the Associate Warden, caseworkers, and the staff handling of inmate records. It will also provide a visiting room, a nondenominational chapel, chaplain's office and instruction room, and a commissary. The building will be constructed with inmate labor.

Staff housing, Marion ($500,000)

The funds appropriated for construction at Marion did not provide staff housing. It is proposed to construct 25 houses and a bachelor officers' quarters for 10 men. These numbers are based on the findings of the study of staff housing submitted to the Budget Bureau in March 1960. The average cost of a house is estimated at $17,750 and the BOQ. at $28,800. The remainder of the funds is necessary for site work and utilities. The housing will be constructed in accordance with Bureau of the Budget criteria.

Repairs and improvements ($1,500,000)

The general problem of institution maintenance has been discussed under salaries and expenses. The magnitude of the backlog in repairs and improvements is shown on table A, "Backlog of Repairs and Improvements" and table B, "Major Utility Rehabilitation Projects."

An appropriation of $1,500,000 is requested for repairs and improvements. The unbudgeted replacement of the power cable at McNeil which cost nearly $100,000 reduced the amount available during 1963. In allocating funds for fiscal year 1963 it was not possible to allot any repair money at all to some institutions. We have already established priority allocations of funds for over $1 million of urgently needed projects for which funds are simply not available.

Improvements in the Bureau's Construction and Mechanical Division including greater delegation to institutions and greater use of outside architects and consultants have made it possible to carry on more projects simultaneously than in the past. We have no doubte of our capacity to obligate these requested funds speedily, efficiently, and effectively.

PRIORITY OF PROJECTS

PSYCHIATRIC INSTITUTON

Mr. ROONEY. What is your priority here, Mr. Bennett?

Mr. BENNETT. Our priority here is funds necessary to complete the hospital for the mentally ill, to complete the hospital for which planning funds were allowed last year.

Mr. ROONEY. How much did we allow for this institution last year?

Mr. BENNETT. $1 million.

Mr. ROONEY. How much of that $1 million has been obligated?

Mr. BENNETT. I think all of it has been obligated for the plans.

Mr. ROONEY. Are you sure?

Mr. BENNETT. Yes, sir, I am sure.

Mr. ROONEY. Do you want to strike out the word "think"?

Mr. BENNETT. Thank you. I will strike out the word "think."

Mr. ROONEY. Of the $14.3 million at page 29–3, how much of that would you obligate in fiscal year 1964?

Mr. BENNETT. Well, Mr. Chairman, probably I would not obligate more than half of it.

Mr. ROONEY. That would be $7,150,000?

Mr. BENNETT. Yes. I had estimated——

Mr. ROONEY. Would you obligate that much?

Mr. BENNETT. Yes, sir; I think we would. I think we would expend that, which is different from obligating it. If we went out under this contract——

Mr. ROONEY. Obligation includes expenditures in the sense we use the word here.

Mr. BENNETT. Yes, sir.

Mr. ROONEY. So, we are being generous and we are not asking you what you will spend but we are asking you what you will obligate.

Mr. BENNETT. About half of it.

Mr. ROONEY. What is your next priority item?

TABLE A.—*Analysis of repair and improvement backlog, August 1962*

[Dollars in thousands]

Institution	Total	Heating and ventilating	Electric and refrigeration	Water and sewage	Inmate quarters repairs	Other institute facilities	Roofs	Sidewalks and roads	Floors	Custodial facilities	Residences
Alcatraz [1]											
Alderson	289	38	3		24	54		20	150		
Ashland	131	54		6	3	40	9	19			
Atlanta	2,042	11	17		156	1,101	30	17	5	705	
Chillicothe	349	6	6	1	21	184	12	26		77	16
Danbury	90	2				25	45	6	2	2	8
El Reno	240	2	13			209	6	7			3
Englewood	408	71	2	11		204	36	29	13	30	12
Florence	37		10		18						9
Greenville	13		2			10					1
La Tuna	221	6		15	30	138	4	25			3
Leavenworth	963	35	41	38	42	352	28	13	12	380	22
Lewisburg	433	1	21	15	41	121	7	35	1	177	14
Lompoc	176	18	1	31		101		7		18	
McNeil	224	24	10	7	44	102			25		12
Milan	149	4	2	101		39			3		
Montgomery	26					21		5			
N.T.S.	129	2		8		107		10	2		
Natural Bridge	37					34	3				
Federal Detention Headquarters	84			25		24	35				
Petersburg	218	22	65	11	14	67		19	8	5	7
Safford	28		3			11		4	10		
Sandstone	238	20	96	4	3	83		15		13	4
Seagoville	247	23	50	20		43		89		6	16
Springfield	306		50	2		229		9		16	
Tallahassee	198	52	46		11	57		26	1	5	
Terminal Island	156	5			28	123					
Terre Haute	127	4	8		31	75		7		2	
Texarkana	161	53	9		85					13	1
Tucson	32		9	7	10	6					
Total	7,752	453	464	302	561	3,560	215	388	232	1,449	128

[1] Does not include Alcatraz R. & I. projects.

TABLE B.—*Major utilities rehabilitation requirements, September 1962, estimated costs*

Institution	Total	Primary electric	Secondary electric	Plumbing	Refrigeration	Sewage disposal	Protective lighting	Heating
Atlanta	100,000						100,000	
Alderson	75,000					75,000		
Ashland	393,000	175,000	218,000					
Chillicothe	1,977,000	932,000	875,000				170,000	
Danbury	360,000	110,000	250,000					
Englewood	40,000	40,000						
El Reno	634,000	328,000						306,000
La Tuna	100,000		100,000					
Leavenworth	730,000	25,000	150,000	175,000	75,000		75,000	230,000
Milan	544,000	394,000	150,000					
McNeil	810,000	400,000				150,000		260,000
Petersburg	220,000	170,000				50,000		
Springfield	1,096,000	371,000	550,000		75,000		100,000	
Terre Haute	60,000						60,000	
Total	7,139,000	2,945,000	2,293,000	175,000	150,000	275,000	505,000	796,000

NATIONAL TRAINING SCHOOL FOR BOYS REPLACEMENT

Mr. BENNETT. Our next priority item is the money to go ahead with the National Training School for boys replacement, $700,000. This will be sufficient to meet the costs of the site preparatory work and preparation of the detailed architectural plans.

As you may recall, we estimate that the total cost of this project will come to about $8.5 million. We will seek the balance next fiscal year.

Mr. ROONEY. How much of the $700,000 would be obligated and/or expended in fiscal year 1964?

Mr. BENNETT. All of it.

Mr. ROONEY. This is the site which has been given to you at no cost in West Virginia, is it?

Mr. BENNETT. No, sir; it is located in West Virginia but the site is going to cost us $168,000.

Mr. WILKINSON. I think it is more than that, depending on how much we finally close for. It will run around $200,000 or a little more.

Mr. ROONEY. Did you try to get a site turned over to you without charge?

Mr. BENNETT. Yes, we did.

Let me say, Mr. Chairman, we could have gotten a site donated but not in a location we considered satisfactory for this institution. This institution is to be located in Morgantown, W. Va., which is the seat of the University of West Virginia. It has supporting community facilities necessary for obtaining the personnel and the facilities needed for its operation.

Mr. ROONEY. What is your next priority?

INSTITUTION FOR WOMEN ON THE WEST COAST

Mr. BENNETT. The next priority is this institution for women on the west coast. We have only one institution for women now and that is at Alderson, W. Va. We do have some temporary facilities——

Mr. ROONEY. You have women at Terminal Island, do you not?

Mr. BENNETT. We have some temporary facilities at Terminal Island in Los Angeles. It is not sufficiently large to enable us to keep on the west coast the women convicted in this area, and we are spend-

ing considerable amounts on transportation to bring them to Alderson. The population out there is growing and we are going to have to have an institution eventually for women on the west coast, and this is put in here for your consideration. It is a part of our long-range buildings program.

Mr. Bow, that was one of the institutions we included in this public works acceleration program, but it was disallowed.

Mr. ROONEY. You have fewer women at Terminal Island now that you had 1 year ago?

Mr. BENNETT. How many, five?

Mr. ROONEY. No; 13.

Mr. BENNETT. It is just a temporary reduction. We are not always at 100 percent occupancy and on certain other dates it would be more than we had.

Mr. PRESTON SMITH. It has a capacity of only 125.

Mr. ROONEY. I do not think that figure you gave is correct.

Mr. PRESTON SMITH. Which one?

Mr. ROONEY. 125.

Mr. PRESTON SMITH. No; that is right.

Mr. ROONEY. That is right that it is wrong?

Mr. PRESTON SMITH. No, sir; that is what it was originally set up, equipped for—125.

Mr. ROONEY. It was 150, was it not?

Mr. PRESTON SMITH. No, sir; the 125 is based on single room occupancy and what has happened is that we wound up in many instances with 2 women in space designed for 1.

Mr. BENNETT. Mr. Chairman, that is an item we have to have eventually and we are submitting it at this time for your consideration.

PROJECTS REQUESTED OF ARA UNDER ACCELERATED PUBLIC WORKS PROGRAM

Mr. ROONEY. Will you insert at this point in the record a detailed statement indicating the various projects you have requested of the Area Redevelopment Administration under the accelerated public works program?

Mr. BENNETT. Yes, sir.

Mr. ROONEY. Indicating the locations, amounts, and other such details?

Mr. BENNETT. Yes, sir.

(The requested information follows:)

Public works acceleration program, Federal Bureau of Prisons (submitted by Area Redevelopment Administration October 1962)

[Dollars in thousands]

	Priority	State	Sec. 5a	Sec. 5b	S.P.U.
New institutions:					
National Training School	1	West Virginia	$8,500		
Western women's	2	California	8,500		
Midwestern youth	3	Missouri	7,500		
Close custody	4	Pennsylvania	12,500		
Northeastern youth	5	Massachusetts	7,500		
Western youth	6	California	10,000		
Southeastern youth	7	South Carolina	6,000		
Total, new institutions			60,500		
Repairs and improvements to existing institutions:					
Marion staff housing	1	Illinois	700		
Marion electrical	2	do	180		
Marion fencing	3	do	206		
Marion roads	4	do	120		
Sandstone activities building	5	Minnesota		$500	
Chillicothe electric rehabilitation	6	Ohio	425		
McNeil electric rehabilitation	7	Washington			$215
Lewisburg towers	8	Pennsylvania		105	
Lewisburg security lighting	9	do		100	
Ashland electric rehabilitation	10	Kentucky	275		
Chillicothe tower replacements	11	Ohio	275		
Ashland education building	12	Kentucky	250		
Alderson chapel	13	West Virginia		200	
Rebuilding Allenwood camp	14	Pennsylvania		1,750	
Terre Haute gymnasium	15	Indiana			250
Chillicothe kitchen-dining hall	16	Ohio	600		
Ashland gymnasium	17	Kentucky	250		
Sandstone gymnasium	18	Minnesota		250	
Alderson storage garage	19	West Virginia		90	
Lewisburg farm fencing	20	Pennsylvania		50	
Texarkana roads	21	Texas		25	
Alderson roads	22	West Virginia		20	
Terre Haute roads	23	Indiana			50
McNeil Island roads	24	Washington			100
Lewisburg roads	25	Pennsylvania		65	
Ashland roads	26	Kentucky	30		
Sandstone	27	Minnesota		50	
Chillicothe roads	28	Ohio	100		
McNeil staff housing	29	Washington			460
Alderson staff housing	30	West Virginia		380	
Sandstone staff housing	31	Minnesota		200	
Terminal Island staff housing	32	California			130
Texarkana staff housing	33	Texas		80	
Chillicothe staff housing	34	Ohio	140		
Terre Haute staff housing	35	Indiana			240
Ashland staff housing	36	Kentucky	220		
Alderson recreation building	37	West Virginia		250	
Chillicothe school building	38	Ohio	350		
Texarkana kitchen-dining hall	39	Texas		400	
Alderson reflooring	40	West Virginia		150	
McNeil dining room mezzanine	41	Washington			75
McNeil ship shed and shops	42	do			300
Total, repairs and improvements			4,121	4,665	1,820
Total program			64,612	4,665	1,820
Grand total			71,106		

Mr. ROONEY. What is the alleged necessity of the next one?

SERVICES BUILDING, SANDSTONE

Mr. BENNETT. This Sandstone one?

Mr. ROONEY. Yes. We started that, did we not?

Mr. BENNETT. It was started here last year. There was an item in the report that we should go forward with that program and we would be happy to do it. We think it is a very needed and essential building.

Mr. ROONEY. Are there any questions with regard to buildings and facilities?

ACCELERATED PUBLIC WORKS PROGRAM

Mr. SLACK. I would like to ask one question about the accelerated public works program.

Mr. ROONEY. Yes.

Mr. SLACK. What is the total amount received to date for the Federal prisons system under the accelerated public works program?

Mr. BENNETT. To date, $1.3 million.

Mr. SLACK. What is the total amount pending by application today?

Mr. BENNETT. If we start out initially from what we had, it would be $62.7 million.

Mr. SLACK. You have $62.7 million pending in applications before the accelerated public works program in the Area Redevelopment Administration?

Mr. BENNETT. That is right.

Mr. SLACK. As of today?

Mr. BENNETT. That is right.

Mr. SLACK. Thank you, sir.

Mr. ROONEY. Mr. Bow?

STAFF HOUSING AT MARION

Mr. BOW. In this figure of $500,000 for staff housing at Marion, is that just for the housing, construction of the housing?

Mr. BENNETT. Yes; utilities and——

Mr. BOW. Do you furnish these houses?

Mr. BENNETT. We do not furnish these houses under the present Budget Bureau program. We do not.

Mr. BOW. The people bring their own furniture?

Mr. BENNETT. The people bring their own furniture. Formerly we furnished the house.

Mr. BOW. This would be the total and it would be no more than this? You would not come in later for furnishings?

Mr. BENNETT. No, sir.

Mr. BOW. Is there any other equipment?

Mr. BENNETT. No; nor for any other equipment.

Mr. BOW. You put refrigerators, stoves, and things of that kind in these houses?

Mr. BENNETT. Yes, sir.

Mr. BOW. You consider that a part of construction cost?

Mr. BENNETT. We consider that a part of construction cost, Mr. Bow. As you know, rental is charged for these and the rental is based on the cost of the house, so these are self-liquidating. They all have paid a dividend to the Government.

Mr. BOW. I always had some question about that because when you begin to amortize them and take up the question of interest and other things, it is a different story. However, that is another question.

Mr. WILKINSON. May I point out the necessity for having at least this minimum number of people on the reservation, Mr. Bennett?

Mr. BENNETT. Mr. Bow, I think, knows we have to have a certain number.

Mr. BOW. When we had the plans up here and all these pictures of this great prison that we were going to build, did they include pictures of staff housing?

Mr. BENNETT. No, sir.

Mr. Bow. Where is the staff housing going to be located?

Mr. BENNETT. It will be located in the same area. There are about 1,000 acres in this property. There was no staff housing shown.

Mr. Bow. You did not show us any staff housing and nothing was said to us prior to this time about staff housing?

Mr. BENNETT. I cannot say, Mr. Bow. I do not know. I did not justify it and I cannot say.

Mr. Bow. That is all. Thank you, Mr. Chairman.

Mr. ROONEY. Do you have any female prisoners at Lompoc?

Mr. BENNETT. No, sir.

INSTITUTIONS BELOW CAPACITY

Mr. ROONEY. You have quite a few unoccupied slots there do you not?

Mr. BENNETT. For the men?

Mr. ROONEY. Yes.

Mr. BENNETT. Below capacity you mean?

Mr. ROONEY. Below capacity and you have 45 slots at El Reno below capacity?

Mr. BENNETT. Yes, sir.

Mr. ROONEY. I guess there are a few more in here if we had time to dig through this.

SUPPORT OF U.S. PRISONERS

Object classification

[In thousands of dollars]

		1962 actual	1963 estimate	1964 estimate
11	Personnel compensation: Positions other than permanent	34	35	35
12	Personnel benefits	3	3	3
25	Other services	3,899	3,648	4,148
26	Supplies and materials	1	3	3
41	Grants, subsidies, and contributions	14	11	11
	Total costs—obligations	3,951	3,700	4,200

Personnel summary

	1962 actual	1963 estimate	1964 estimate
Average number of all employees	2	2	2
Number of employees at end of year	0	0	0

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities: Care of U.S. prisoners in non-Federal institutions (costs—obligations)	3,951	3,700	4,200
Financing: Unobligated balance lapsing	49		
New obligational authority (appropriation)	4,000	3,700	4,200

The next and third item for the Federal prisons system is at page 116 of the committee print entitled "Support of the U.S. Prisoners." The details are to be found under tab 30 of the justification book. Page 30–1 indicates the request is in the amount $4.2 million which would be an increase of $500,000 over the amount appropriated for support of U.S. prisoners in fiscal year 1963.

We shall at this point insert in the record pages 30–1 and 30–2 of the justification book.

(The pages follow:)

Support of U.S. prisoners, Federal prison system

[In thousands]

Appropriation, 1963	$3,700
Estimate, 1964	4,200
Increase, 1964 over 1963	500

JUSTIFICATION—SUPPORT OF U.S. PRISONERS, 1964

An appropriation of $4,200,000 is requested to cover the costs of confining prisoners in State and local institutions.

There are presently 753 contracts or letters of authority in effect with non-Federal institutions. This includes 100 contracts that were executed at increased rates during fiscal year 1962.

The inmate man-days for fiscal year 1962 were 1,249,502 and a steadily increasing average daily cost now brings the total to $3.16 as compared with last year's total daily cost of $3.05. The fiscal year 1964 estimate is based on 1,250,000 man-days at an average cost of $3.36.

OBLIGATIONS

Mr. ROONEY. What were the obligations for the first 6 months of fiscal year 1963?

Mr. BROWN. They are running about 4 percent ahead of last year, Mr. Chairman. The actual figures are $1,948,174 in the first 6 months of this year as compared with $1,872,647 during the first 6 months of 1962.

On that basis, the projection for the year is figured at $4.1 million; that is, for the current year, so that the estimate for 1964 of $4,200,000 provides for another $100,000 increase for 1964. If the trend continues, of course, that will be inadequate.

Mr. ROONEY. If what trend continues?

Mr. BROWN. The 4-percent trend already experienced this year.

Mr. ROONEY. What about the number of prisoners?

Mr. BENNETT. The average number is holding about the same, Mr. Chairman, but the daily per capita costs charged to us for the boarding of these prisoners in local institutions is increasing.

Mr. ROONEY. Are there questions with regard to the support of the U.S. prisoners?

FEDERAL PRISON INDUSTRIES, INC.

LIMITATIONS ON ADMINISTRATIVE AND VOCATIONAL TRAINING EXPENSES

Object classification

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
GENERAL ADMINISTRATION			
11 Personnel compensation:			
Permanent positions	397	450	496
Positions other than permanent	3	1	3
Add excess of annual leave earned over leave taken	2	3	8
Total personnel compensation	402	454	507
12 Personnel benefits	30	35	40
21 Travel and transportation of persons	30	39	39
22 Transportation of things	4	3	5
23 Rent, communications, and utilities	28	29	29
24 Printing and reproduction	3	5	5
25 Other services	20	23	23
26 Supplies and materials	9	4	14
Total, general administration	526	592	662
VOCATIONAL TRAINING			
11 Personnel compensation:			
Permanent positions	754	885	1,095
Positions other than permanent	48	61	76
Other personnel compensation	7	4	7
Add excess of annual leave earned over leave taken	6	16	18
Total personnel compensation	815	966	1,196
12 Personnel benefits	58	73	90
21 Travel and transportation of persons	21	21	24
22 Transportation of things	1	1	2
23 Rent, communications, and utilities	9	11	12
24 Printing and reproduction	34	28	39
25 Other services	1	1	2
26 Supplies and materials	84	84	109
Total, vocational training	1,023	1,185	1,474
Total obligations	1,549	1,777	2,136

Personnel summary

	1962 actual	1963 estimate	1964 estimate
GENERAL ADMINISTRATION			
Total number of permanent positions	56	56	56
Average number of all employees	52	54	56
Number of employees at end of year	53	56	56
Average GS grade	9.1	9.3	9.4
Average GS salary	$7,880	$8,333	$8,857
VOCATIONAL TRAINING			
Total number of permanent positions	117	123	139
Full-time equivalent of other positions	7	7	10
Average number of all employees	116	130	149
Number of employees at end of year	114	150	149
Average GS grade	9.2	9.2	9.2
Average GS salary	$6,917	$7,195	$7,877

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. General administration (excludes depreciation)	526	592	662
2. Vocational training (excludes depreciation)	1,023	1,185	1,474
Total accrued expenses—costs	1,549	1,777	2,136
Financing: Unobligated balance lapsing	33		
Limitation	1,582	1,710	2,136
Proposed increases in limitation due to pay increases		67	

Mr. ROONEY. The next item, gentlemen, is entitled "Federal Prison Industries, Inc.," a Government corporation. This item appears beginning at page 119 of the committee print and the details are to be found under tab 1 of the justifications.

The request is for an authorization of $662,000 for administrative expenses, and $1,474,000 for vocational expenses. This is an increase of $87,000 over the present fiscal year in administrative expenses and $339,000 over the present fiscal year in vocational expenses.

We shall at this point insert in the record pages 31–1 through 31–10 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, 1963	592	1,185	1,777
Estimate for 1964	662	1,474	2,136
Increase over 1963 limitation	70	289	359

LANGUAGE CHANGES

None.

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 1964 the corporation expects to operate 55 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 1964 are estimated at $38,500,000 with estimated net earnings of $4,747,000.

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, $47 million during the period January 1, 1935, to June 30, 1962. It is estimated that $54,500,000 will have been paid in dividends by June 30, 1964.

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, purchases a substantial part of the raw materials used in the factories, supervises and audits purchase and sales contracts and supecifications, 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 are received and controlled by the central office.

The administrative expense limitation for 1963 was approved for $575,000. An additional limitation of $17,000 is being requested for the pay increase under Public Law 87–793, bringing the total to $592,000 for 1963. The estimate for 1964 is $662,000, an increase of $70,000 composed of $17,000 to maintain the 1963 employment level, $36,000 for pay increases under Public Law 87–793 applicable to the 1963 level of employment, and $17,000 for increases in personnel benefits, transportation, supplies, and materials.

The $592,000 requested for 1964 is only 1.54 percent of estimated sales of $38,500,000.

Itemization of limitation request—Administrative expense

[In thousands]

By accounts	1963 estimate	1964 estimate	Increase (+) or decrease (−)
11 Personnel compensation	$454	$507	+$53
12 Personnel benefits	35	40	+5
21 Travel and transportation of persons	39	39	0
22 Transportation of things	3	5	+2
23 Rent, communications, and utilities	29	29	0
24 Printing and reproduction	5	5	0
25 Other services	23	23	0
26 Supplies and materials	4	14	+10
Total administrative expense	592	662	+70

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 $1,135,000 for 1963. An additional limitation of $50,000 is being requested for the pay increase under Public Law 87–793 bringing the total to $1,185,000 for 1963. The estimate for 1964 is $1,474,000, an increase of $289,000 composed of $112,000 for 16 positions—explained below, personnel benefits required for 16 new positions, $8,000; part-time instructors, $15,000; to maintain the 1963 level of employment, $27,000; for pay increases under Public Law 87–793 applicable to the 1963 level of employment, $76,000; for increases in personnel benefits, travel, transportation, utilities, printing, and other services, $26,000; and the remaining $25,000 for books and other educational supplies and materials.

There follows justification for the 16 new vocational instructor positions for $112,000, plus applicable personnel benefits of $8,000 mentioned above:

1. Ten trade instructor positions for the provision of formalized training in specific trade areas in preparation for release employment, one each at Terre Haute (machine shop), Chillicothe (auto mechanics), Petersburg (auto body

and fender repair), El Reno (sheet metal), Ashland (auto body and fender repair), McNeil Island (typewriter repair), Danbury (typewriter repair), El Reno (food service), Atlanta (food service), Leavenworth (food service). Each instructor will conduct full-time trade training in his assigned area for an average of 15 inmate trainees. He will provide on-the-job training in work skills, instruction in trade science, and classroom instruction in all subjects related to the trade being taught.

2. Three related trades instructors, one each at Lompoc, Springfield, and Marion. Each instructor will provide classroom instruction in various shop-related subject areas to an average of 75 assigned vocational trainees. In addition, each will assist shop foremen-instructors in planning their instruction and in improving their teaching techniques.

3. Two vocational instructors, one each at the Florence and Eglin Camps. Incumbents will coordinate, teach, and supervise the educational facilities carried on at the camps, including general education, correspondence study, vocational training, and recreation.

4. One assistant supervisor of education (vocational training) at Marion. This is a new institution in which a full training staff will be accumulated eventually. The incumbent will head up all vocational training activities and be a first-line assistant to the supervisor of education.

5. Requested is an increase of three equivalent full-time positions in support of part-time positions used during special evening and weekend hours only. Rather than increase teaching staffs by adding full-time positions, we need to contract with teaching specialists in the community to teach only a few hours each week. Part-time funds are used for this purpose.

Vocational training expense

[In thousands]

By accounts	1963 estimate	1964 estimate	Increase (+) or decrease (−)
11 Personnel compensation	966	1,196	+230
12 Personnel benefits	73	90	+17
21 Travel and transportation of persons	21	24	+3
22 Transportation of things	1	2	+1
23 Rent, communications, and utilities	11	12	+1
24 Printing and reproduction	28	39	+11
25 Other services	1	2	+1
26 Supplies and materials	84	109	+25
Total vocational training expense	1,185	1,474	+289

Personal services

The estimated average employment of permanent personnel for 1964 is distributed as follows:

Locations:	Number Positions
Washington, D.C	5
Alderson, W. Va	5
Ashland, Ky	7
Atlanta, Ga	9
Chillicothe, Ohio	14
Danbury, Conn	4
Eglin, Fla	1
El Reno, Okla	12
Englewood, Colo	8
Florence, Ariz	1
Greenlee, Va	1
Greenville, S.C	1
La Tuna, Tex	2
Leavenworth, Kans	5
Lewisburg, Pa	6
Lompoc, Calif	10
McNeil Island, Wash	6
Milan, Mich	2
Montgomery, Ala	1
National Training School	6
Petersburg, Va	7
Sandstone, Minn	2
Seagoville, Tex	3
Springfield, Mo	5
Tallahassee, Fla	2
Terminal Island, Calif	4
Terre Haute, Ind	5
Texarkana, Tex	4
Tucson, Ariz	1
Total	139

The total average estimated employment of 149 for 1964 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 (41 U.S.C. 841) without any exceptions that have not been resolved. The audit report for fiscal year 1961 (H. Doc. 319, 87th Cong., 2d 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, 1961, 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 1961, net sales of the 53 manufacturing, processing, and servicing units operated by the corporation totaled about $31 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 1961, 12,339 inmates were enrolled in 532 groups for training in agriculture, industry, trades, institution maintenance, and other special subjects and 4,850 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 corporation's administrative and vocational training expenses."

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.

REQUESTED INCREASE

Mr. ROONEY. The increase in administrative expenses is to be found at page 31–3 and $17,000 of this is for the pay increase in Public Law 87–793; correct?

Mr. BENNETT. Yes, sir.

Mr. ROONEY. What is the exact same amount, $17,000 to maintain 1963 employment level?

Mr. BENNETT. The $17,000 being requested for the pay increase under the new pay act brings the total amount for administrative expenses to $592,000.

Mr. ROONEY. Please explain that paragraph at page 31–3 so that we understand exactly what it is.

Mr. BENNETT. The administrative expense limitation?

Mr. ROONEY. Yes.

Mr. BENNETT. Last year it was $575,000.

Mr. ROONEY. Now you want an increase of $70,000 or $87,000; right?

Mr. BENNETT. Yes, sir; that is right.

Mr. ROONEY. $87,000 is made up of the $17,000 I first spoke about?

Mr. BENNETT. That is right.

Mr. ROONEY. The pay increase?

Mr. BENNETT. Plus $70,000 for some additional positions.

Mr. ROONEY. Are there additional positions?

Mr. PRESTON SMITH. No additional positions are involved and the $17,000 is to maintain employment level.

Mr. ROONEY. What is magic about that $17,000 figure? You have three items, each of $17,000, and what is magic about $17,000?

Mr. PRESTON SMITH. I do not see the third one, Mr. Chairman. I have two of them for a total of $70,000 increase. The detail is on page 31–4.

Mr. BENNETT. $17,000 is to maintain the level of employment and you referred to that.

Mr. ROONEY. You have three $17,000 amounts.

Mr. BENNETT. I guess that is a misprint.

Mr. PRESTON SMITH. The third one is an increase applicable in the current year.

Mr. ROONEY. It is just a coincidence that you have $17,000 three times down there?

Mr. PRESTON SMITH. Yes, sir; $17,000 for pay increases in the current year and $17,000 next year, for maintaining the employment level and pay increases of $36,000 and personnel benefits: that includes health, retirement, and so forth, transportation, and supplies and materials; $17,000 for those things and a total increase in 1964 of $70,000 over that of the current year including the adjustment in the current year for pay increases.

ESTIMATED SALES IN FISCAL YEAR 1964

Mr. ROONEY. Estimated sales in fiscal year 1964 will come to how much?

Mr. BENNETT. May I say preliminary to that, Mr. Slack, and Mr. Smith, the Federal Prison Industries, Inc., is a corporation which operates and directs the industries and employment opportunities in our institutions. For example, we manufacture all of the mailbags used by the Government from cotton duck. We manufacture shoes. We manufacture furniture. We refinish furniture.

Mr. ROONEY. Is Mr. Andretta buying any more furniture from you than he used to do?

Mr. BENNETT. He is buying a little furniture from us. It has been a pretty profitable enterprise and due to your interest, the courts have sent us quite a lot of work to be done on furniture to be refinished, new upholstering, and things of that kind. It is not the most profitable industry we have but I think it is a very profitable one from the standpoint of the Government as a whole.

BASIS OF PAY TO PRISONERS

Mr. SMITH. These prisoners are paid on an incentive basis?

Mr. BENNETT. Yes, sir. They are paid on an incentive basis, on the basis of production. They are very skilled and they are quite high producers. Our total sales last year were the highest in history, $38.5 million, and our net earnings were $7.8 million.

DIVIDENDS

The Board of Directors at its last meeting recommended an immediate payment of $4 million dividend into the Treasury and it may be that there will be an additional dividend paid in this year.

REHABILITATION

Incidentally, we do the printing and this is a sample of the printing we do there. That printing was done at El Reno.

Mr. ROONEY. Was the travel circular printed there?

Mr. BENNETT. Yes, sir; everything printed by our own people. That is a vocational training enterprise. One of our most spectacular cases of rehabilitation comes out of our printshop.

Mr. ROONEY. What is that?

Mr. BENNETT. That was a policeman who committed a bank robbery and got a 25-year sentence and for several years he could not be reached but we finally got him interested in printing and he became a skilled printer. He now is head printer in a religious publication house in Denver, Colo.

PRISON CAMP AT EGLIN AIR FORCE BASE, FLA.

Mr. SIKES. Mr. Bennett, I would like to say to you that I have had an opportunity to visit and to observe the minimum security Federal prison, which the Bureau of Prisons has established at Eglin Air Force Base in Florida. I have become acquainted with your Mr. Robert Hendricks, who is in charge of the prison, and with the members of his staff. I have spent some time with the prisoners. I have seen their work. I would like for the record to show that I have been very highly impressed with the entire operation.

This is an unusual type of operation in that the prison is operated largely on the honor system. Their work is in the big half-million-acre Eglin Air Force Base reservation, where they help to maintain roads, to build roads, to maintain and to build bridges, and work in the important activities of reforestation and conservation. This is work which is needed and which would not otherwise be done.

I think it definitely is a beneficial operation for your personnel and for the Air Force. I want you to know how strongly we feel toward the work that is being done.

Mr. BENNETT. Thank you very much, Mr. Congressman. We appreciate, incidentally, your cooperation in getting this camp started. We think that it is going to be a very valuable thing for the Government because it makes possible the use of these prisoners on a public works project which will promote the well-being of the military base.

Incidentally, also, Mr. Congressman, it is a very fine thing, we think, for the men. As you say, these men are minimum-custody prisoners, but they are learning how to work and learning that work of this kind is a substitute for criminal ways. We are pleased to have the opportunity of being there.

Mr. SIKES. I noted when I visited the prison that your people have taken an auxiliary field, with buildings that were constructed during World War II; they have renovated the buildings themselves, they have made the buildings comfortable and attractive in appearance. It may seem unusual to talk about esprit de corps in a prison, but there I think you have a very fine spirit among all the personnel.

One thing that impressed me very highly is that through the cooperation of the Eglin command, an unused library of some 3,000 volumes, a new and remarkably up-to-date library was located at another auxiliary field, which is not now in use. This has been moved to the prison camp. It is used very extensively by the inmates. It is probably one of the best libraries you have in a small prison camp.

There are many things that impressed me with the whole operation.

Mr. BENNETT. Thank you so much, sir.

VOCATIONAL EXPENSES

Mr. ROONEY. The vocational expenses are to be found at page 31–5 of the justifications. The proposition would be to increase the limitation from $1,135,000 to $1,474,000, an increase of $339,000.

Mr. BENNETT. These are persons that would be used to teach our men various trades. Over 11,000 of our inmates are in some type of vocational training. They are learning to be mechanics, welders, auto mechanics, typewriter repairmen, radio and TV mechanics, auto body repairmen. We have a very large number of things. One of the things we depend upon to help put these fellows on the right track, give them some trade to follow when they leave the institution. On the whole, it has been quite a successful program.

For example, to illustrate, one of our men who came to us as a young fellow, got sucked in on a bank robbery deal and was convicted, was sentenced to 25 years, he was very remorseful and entered enthusiastically into the vocational training program. He became a radio engineer. After he got out, he went to a radio station in St. Paul, Minn., as a minor handyman around the radio station. He got increasingly important jobs. Finally he was offered the job as assistant manager of a radio station down in Texas. He went on from that until he is now vice president of a radio chain in Texas, Arkansas, and Missouri.

We have other graduates who fall into similar categories. It is one of the satisfying parts of this job I have. It is no satisfaction to me to have to carry out some of the responsibilities I have, but it is a rewarding experience to be able to see some of these handicapped and disadvantaged fellows come into our institution, get a trade and a skill, and be able to place them some place after they leave the institution and see them make good. We have such people right here in the city of Washington, and in every city of the United States you will find some.

DIVIDENDS

Mr. ROONEY. It appears at page 122 of the committee print that you anticipate dividends of $4 million and $3.5 million would be paid in 1963 and 1964, respectively. How much did you pay in fiscal year 1962?

Mr. BENNETT. $4 million.

Mr. ROONEY. Why would it go down in 1964 to $3.5 million?

Mr. PRESTON SMITH. This is an estimate that is conservative. We hope it will be more.

Mr. ROONEY. This is the one area where you are conservative. Thank you, gentlemen, very much.

Mr. BENNETT. Thank you, Mr. Chairman.

TUESDAY, FEBRUARY 5, 1963.

FEES AND EXPENSES OF WITNESSES

WITNESSES

S. A. ANDRETTA, ADMINISTRATIVE ASSISTANT ATTORNEY GENERAL

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

Object classification

[In thousands of dollars]

		1962 actual	1963 estimate	1964 estimate
11	Personnel compensation	758	750	845
21	Travel and transportation of persons	1,408	1,150	1,555
	Total obligations	2,166	1,900	2,400

Program and financing

[In thousands of dollars]

	1962 actual	1963 estimate	1964 estimate
Program by activities:			
1. Fact witnesses	1,768	1,485	1,955
2. Mental examinations	151	140	170
3. Expert witnesses	247	275	275
Total program costs, funded—obligations	2,166	1,900	2,400
Financing: Unobligated balance lapsing	69		
New obligational authority (appropriation)	2,235	1,900	2,400

Mr. ROONEY. The last item in the Department of Justice budget is that for fees and expenses of witnesses. It is to be found at page 89 of the committee print and under tab 23 of the justification book. The request is in the amount of $2,400,000, which would be an increase of $500,000 over the amount appropriated in the current fiscal year for fees and expenses of witnesses.

We shall at this point insert in the record pages 23–1, –2, –4, and –5 of the justifications.

(The pages follow:)

Analysis of estimate

Appropriation title: "Fees and Expenses of Witnesses":	
Appropriation, 1963	$1,900,000
Estimate, 1964	2,400,000
Increase	500,000

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

Payments to witnesses in fiscal year 1962 increased to $2,165,751 or more than 20 percent greater than the total cost in 1961.

Some increase in the fees and expenses of witnesses due to the addition of new judges was predicted in 1962 and 1963 but not to the extent actually experienced. Consequently our estimated for 1963 of $1,900,000 was too conservative. Assuming a further increase of about 6 percent in 1963 the appropriation currently available will be at least $400,000 short of anticipated needs.

It is estimated that witnesses' costs will continue to rise by approximately 4 percent in 1964 to a total of $2,400,000.

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 $2,400,000 for 1964 is based on current trends and our best judgment of the future projections.

FEES AND EXPENSES OF WITNESSES

The annual requirements during the past 5 years are shown in the following table:

Fiscal year	Total paid	Percentage of change
1958	$1,617,315	
1959	1,727,683	+6.82
5960	1,772,868	+2.61
1961	1,803,949	+1.75
1962	2,165,751	+20.06

Mr. ROONEY. This is a guesstimate, is it not, Mr. Andretta?

Mr. ANDRETTA. Yes, sir.

Mr. ROONEY. Tell us about it.

Mr. ANDRETTA. As the committee knows, the witness appropriation is uncontrollable in that we cannot control the number of witnesses, and the fees are established by statute. We never can tell in advance how many witnesses are going to be called; how far they have to travel, and how long they remain during the cases on trial. Every year we have to supplement this appropriation because we have no way of actually anticipating the actual expense.

Mr. ROONEY. Sometimes our guess has been better than yours, if I understand these figures at page 89 correctly.

Mr. ANDRETTA. On the print?

Mr. ROONEY. On the committee print.

Mr. ANDRETTA. You will notice the supplementals on the other side——

Mr. ROONEY. When you come up with the supplemental, you have more firmed up figures; is that right?

Mr. ANDRETTA. Yes, that is correct.

Mr. ROONEY. Better and firmed up figures?

Mr. ANDRETTA. That is right.

Mr. ROONEY. You generally get the amount.

Mr. ANDRETTA. That is correct. Actually, as you said before, it is a guesstimate. We have to guess a year and a half before what we are to face in the courts in the next fiscal year. We just try to base it on what the trend is, as we know it, when we prepare this estimate.

Mr. ROONEY. Do you have the amount in the first 6 months of the current fiscal year?

Mr. BROWN. Yes, sir.

Mr. ROONEY. What was it?

Mr. BROWN. Obligations for the first 6 months of the year are $1,129,334 as compared with $874,844 during the same period of last year. That is an increase of 29 percent during the first 6 months.

We feel that that percentage increase will not continue throughout the rest of the year for the reason that we will be comparing a higher base period of last year. That is, the new judges that were authorized last year entered on duty throughout the year, and the effect of their service was reflected in the last 6 months of last year. We feel now that the increase during the last half of this year will not go beyond 14 percent for an overall increase for the year of around 20 percent.

On that basis, Mr. Chairman, we will need $2,600,000 this year, which is more than we are asking for in 1964.

Mr. ROONEY. Are there any questions?

Mr. SMITH. Does this include the fees for expert witnesses in Indian claims cases?

Mr. BROWN. Not Indian claims cases.

Mr. ANDRETTA. The Lands Division has its own appropriation for expert witnesses.

Mr. SMITH. Within the Department is there any place other than in those Indian claims cases where expert witnesses are paid on the basis of contract?

Mr. ANDRETTA. Yes; from this appropriation. Contracts for expert witnesses are made in many civil and tax cases. We shop around and ask for bids very often for special expert services that are required, for example, such as evaluating securities in a tax case. We have the attorneys shop around in the area for the best price they can get, the best agreement they can get to do a particular job from a certain category of experts.

We never go outside of what are characterized as the best experts you can get in the case, because very often there are millions of dollars involved. Then we get some competition within the group. Very often we run into a situation where there probably is only one man who can do this patricular job, and we have to accept his fee after negotiation. We tell him he is working for Uncle Sam and that this is taxpayers' money and that he cannot expect to get as much from the Government as he would from a private person or business concern.

Mr. SMITH. In your negotiation do you set a maximum fee they will receive or just a flat fee?

Mr. ANDRETTA. It depends on the character of the work and the extent of it. Very often we find we do better by saying that because of the nature of the job; how long it will take and what is involved, we will pay a flat fee of x dollars, including travel and other expenses and, if acceptable on this basis it is a deal.

Then again we very often say, "we do not know the extent of this, so we will fix a fee of so much per day or so much per hour plus your travel expenses." Ordinarily we just pay the regular Government travel expense of $16 a day.

Mr. SMITH. One way or another, you get around to figuring out what the fee would be per day plus expenses?

Mr. ANDRETTA. Yes.

Mr. SMITH. Except in these Indian claims cases?

Mr. ANDRETTA. Except in the Indian claims cases. There you run into a specialized field requiring a certain expertise. For example, these fellows are expert anthropologists, ethnologists, and so forth.

Mr. SMITH. Expert in a different field is all.

Mr. ANDRETTA. Yes, experts in a different field.

Mr. SMITH. That is all I have.

Mr. BOW. Mr. Chairman, I have one or two general questions to ask Mr. Andretta.

SUPPORT GIVEN TO DOMESTIC PEACE CORPS

Mr. Andretta, can you tell me how many people are assigned from the Justice Department to the proposed new Domestic Peace Corps?

Mr. ANDRETTA. No one that I know.

Mr. BOW. You have a man by the name of Ellinger on the Justice Department payroll?

Mr. ANDRETTA. Ellinger?

Mr. BOW. Ellinger. He now is spending full time over at Jackson Place on the third floor of that building where the Domestic Peace Corps is operating. I understand there are also some clerks there on Justice payroll and that there is one man in the Justice Department main office who is devoting his full time to the Domestic Peace Corps.

Will you supply for the record the names of those people at Jackson Place or anyone who is assigned from the Justice Department to this new proposed Domestic Peace Corps?

Mr. ROONEY. And if assigned, the purpose thereof.

Mr. ANDRETTA. It is all news to me.

Mr. BOW. And how much is being charged to the Justice Department mail for the franking that is going out on the Domestic Peace Corps.

Mr. ANDRETTA. Very well.

(The information follows:)

None of these persons are employed in the Department of Justice. We are doing a slight amount of housekeeping for the group such as keeping records on their finances, etc. These services are in lieu of a contribution of $1,500 requested from each of the agencies represented on the Committee.

Mr. Ellinger, I understand, is employed by the President's Committee on Juvenile Delinquency and Youth Crime as are some others who are giving some of their time to this study group.

Since the Attorney General is chairman of the Committee, some of his stationery has been made available. There is no way of determining the franking costs to the Department of Justice. Any such small amounts will, undoubtedly, be considered as part of its contribution.

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

Mr. ROONEY. The committee will stand in recess until 10 o'clock Monday, February 18, when we expect the Department of Commerce to start their justifications.

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